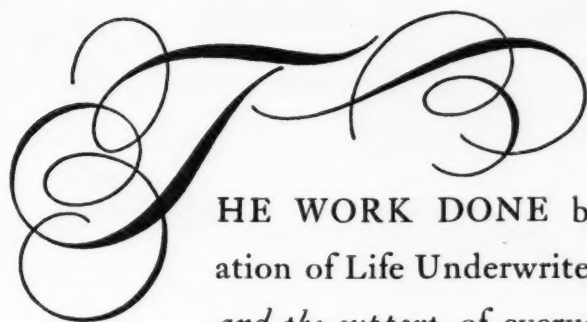


The NATIONAL UNDERWRITER

Life Insurance Edition

3

3rd CONVENTION DAILY



THE WORK DONE by the National Association of Life Underwriters deserves the gratitude, and the support, of everyone engaged in the field of life insurance selling.

Four hundred and twenty Union Central men and women are members of the National Association of Life Underwriters.

Forty-three of them are officers in local or state Associations.

Fifteen are members of National Committees.

Two hold National Office.

We at The Union Central are proud of our representatives who have contributed to the growth of the National Association and the attainment of its aims.

W. Howard Cox
President.

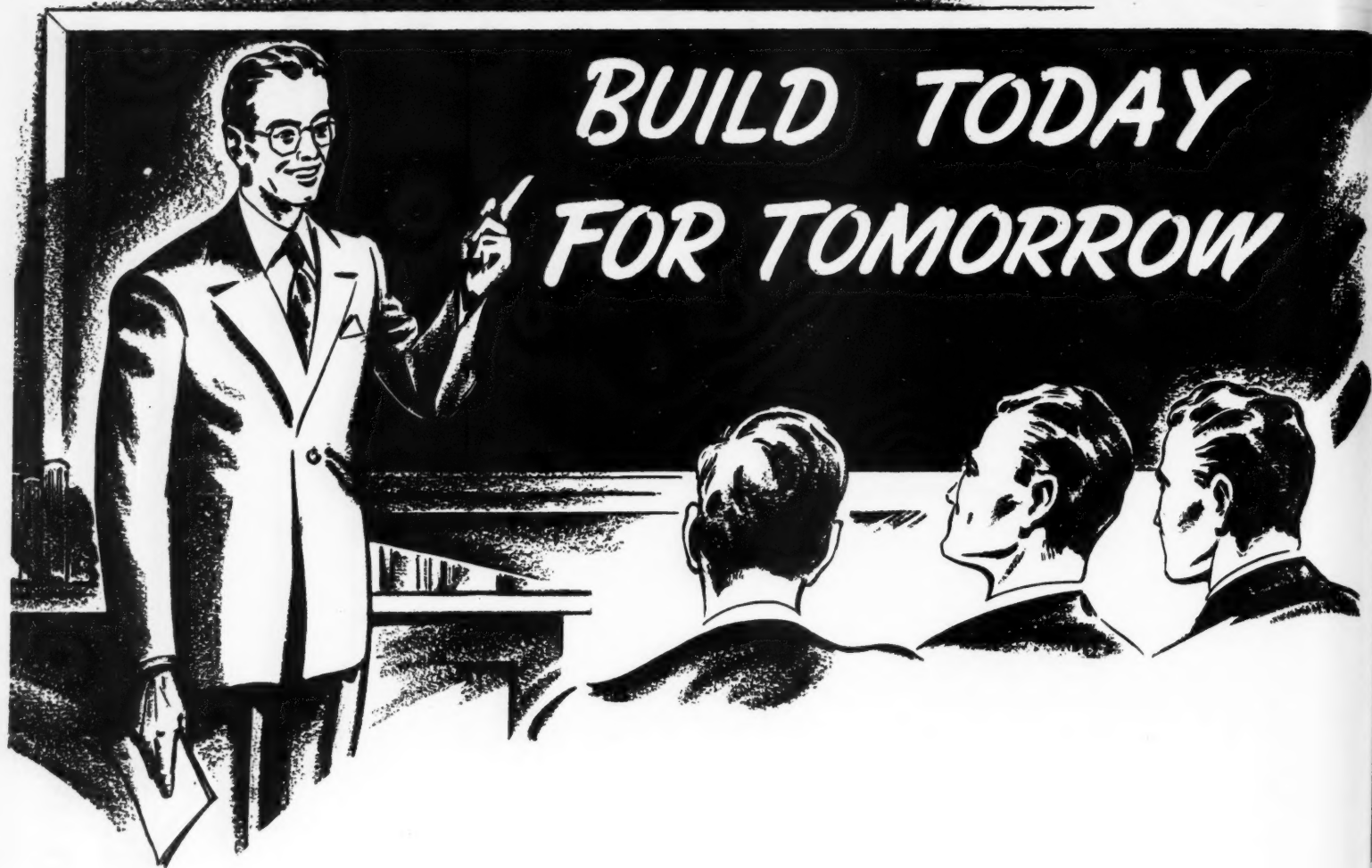
THE UNION CENTRAL LIFE INSURANCE COMPANY

Cincinnati, Ohio

Established 1867

Assets \$533 millions

FRIDAY, SEPT. 13, 1946



Heed the handwriting on the wall! Your success can be gauged only in terms of continuous improvement: in meeting needs with the best plan for the job, in using new ideas that work, in staying alert to new developments.

One sure way to keep abreast of the market is to be an active member of your Life Underwriters' Association. By doing so you keep in touch with the leaders in your business—the men who are now fieldtesting the ideas you will use later. In your Association a friendly exchange of information supplements the work your Company is doing.

The Kansas City Life agent is building for continued success. He maintains his Association membership. He has, and uses, policies specifically designed for the modern market, sales aids which really help the prospect buy, and a voluntary training program which keeps him posted on both fundamentals and new sales ideas.

**KANSAS CITY LIFE
INSURANCE COMPANY**



THE NATIONAL UNDERWRITER LIFE INSURANCE EDITION. Published weekly by the National Underwriter Company. Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Fiftieth year. Extra Edition No. 37C, Friday, September 13, 1946. \$4.00 per year (Canada \$5.00); 25 cents per copy. Entered as second-class matter June 9, 1900, at Chicago, Ill., under Act of March 3, 1879. Acceptance September 11, 12, 13, 1946, issues at Cleveland, Ohio, authorized.

AN ELOQUENT TRIBUTE

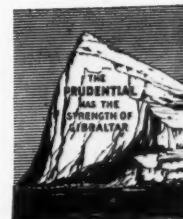
More than 70,000,000 Americans now own legal reserve life insurance policies amounting to over \$163,000,000,000. These figures speak for the present widespread appreciation of the fundamental value of life insurance.

They also represent an eloquent tribute to the success of those who have done so much to make possible the ownership of this large measure of financial security and protection—the Nation's Life Insurance Underwriters.

The billions of American life insurance dollars promote the economic stability of the country and represent faith, courage and confidence for the future.

That is why the efforts of Life Underwriters everywhere continue to be looked upon as a real asset of a free and democratic America.

{ THE FUTURE BELONGS TO
THOSE WHO PREPARE FOR IT }



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

A MUTUAL LIFE INSURANCE COMPANY

HOME OFFICE

. . . . NEWARK, N. J.

Congratulations

to the 100 JEFFERSON STANDARD LEADERS
who are attending the N. A. L. U. Meeting

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E. F. Andrews	Greensboro, N. C.
J. L. Andrews	High Point, N. C.
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L. W. Berrier	Savannah, Ga.
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C. H. Green	Birmingham, Ala.
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C. C. Hooks	High Point, N. C.
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Johnny J. Jones	Columbus, Ga.
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LIFE INSURANCE COMPANY

JULIAN PRICE, Chairman of Board RALPH C. PRICE, President GREENSBORO, N. C.

(A SERIES OF ADVERTISEMENTS ILLUSTRATING HOW LIFE INSURANCE AGENTS SERVE THEIR COMMUNITY BY SELLING LIFE INSURANCE)



How Do You Measure Success in a Man?

DO YOU MEASURE success by the size of a man's bank account? By the cost of his home? By the suit of clothes he is wearing?

Or do you look for the pride his family has in him? What his friends think of him?

An important measurement of success, often overlooked, is how the man has *helped* others...what he has done for his friends, and strangers too!

Equitable Society representatives can see all around them the results of their work. Whether it's a family's support, a home cleared of a mortgage, a child's education, a couple's retirement, or the satisfaction and peace of mind achieved for some

policyholder, Equitable Society representatives see the good effects of their efforts on the lives of their friends and policyholders.

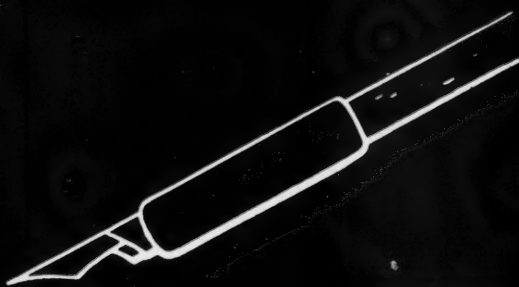
Yes...selling life insurance is more than a way of making a living. It is a contribution to the community in which the representative lives. And this is a "bonus" over and above the prestige that comes to Equitable Society field men as members of an honorable profession and as representatives of an institution like The Equitable Society. That is why Equitable Society representatives can be proud that by making it possible for more men to own life insurance...they serve America.

Hear how the Federal Bureau of
Investigation tracks down criminals!
LISTEN TO "THIS IS YOUR FBI"
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EVERY FRIDAY NIGHT



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THOMAS I. PARKINSON, President - 393 Seventh Avenue, New York 1, N.Y.



More[★]



**Occidental
Life**

INSURANCE COMPANY OF CALIFORNIA
HOME OFFICE ★ LOS ANGELES

V. H. JENKINS, Vice President

★More dotted line offerings

Hobbs Assumes N. A. L. U. Presidency

Meaty Session Friday Concludes Notable Convention

**Finlayson, White and
Hahne are Closing Day
Speakers**

The Cleveland convention of the National Assn. of Life Underwriters, one of the largest and most successful conventions ever held by that organization, was brought to a conclusion Friday with a session that was perhaps the highlight of a program which was packed with meaty material for the man in the field and was notable for its excellence all the way through.

The three speakers Friday morning were all top-notchers, including two very successful life insurance men, who had the ability to set forth in a forceful and convincing manner some sales ideas which they have used with success and the personality and facility in presentation to put their message across to the crowd which packed the Music Hall in the Civic Auditorium, together with a nationally known economist and educator who pictured most graphically the economic conditions of today and their effect on the life insurance business.

Herbert Hill Presides

Herbert R. Hill, Life of Virginia, Richmond, chairman of the convention program, who has received well-deserved plaudits from all of those attending the meeting for his work in lining up such an outstanding schedule of speakers and other program features, presided at that session. Rabbi Julius J. Nodel of the Temple, Cleveland, gave the invocation.

The slate of officers and trustees for the coming year, which had been selected by the national council at its election session Thursday afternoon, was presented by Edward Choate, New England Mutual Life, Los Angeles, chairman of the nominating committee, and adopted by the new convention.

J. Stanley Edwards, Aetna Life, Denver, chairman of the resolutions committee, presented the resolutions prepared by the committee, the most outstanding being the one dealing with National Service Life Insurance, already announced, and they were approved.

The Charles Jerome Edwards trophy for the best membership record of any local association for increase in membership was formally presented to the Richmond association and the Philadelphia trophy, awarded on a similar basis to state association, was accepted by the representatives of the Texas association.

A complete resume of selling the professional market was presented by Dr. John D. Finlayson, Massachusetts Mutual, Ann Arbor. Mr. Finlayson said an agent selling professional people should be a professional himself. He described several character traits existing between various classes of professions, and told how each should be approached. Then he explained what kind of a man the agent must be to sell this group.

Fred H. White, Connecticut Mutual Life, Buffalo, told of his success in the use of direct mail for prospecting and outlined in considerable detail the procedure he follows, both in his mailings

Takes Over as New N. A. L. U. President



PHILIP B. HOBBS

Philip B. Hobbs, Equitable Society, who is the new N.A.L.U. president, has been manager at Chicago since Jan. 1, 1926. He started with the company in 1916. He has developed an agency which has produced over \$100,000,000 business in the last 20 years.

Mr. Hobbs was vice-president of the association in 1945-46, served as trustee since 1941, was named secretary in 1944. He has been chairman of the association's nominating, credentials, general agents and managers, state law and legislation committees, the latter for six years. He also has been N.A.L.U. representative on the joint manpower committee with the American Life Convention and Life Insurance Assn. of America. He is a past president of the

Illinois association, having served as vice-president and chairman of law and legislation committees. He served as director Illinois Insurance Federation and has been a member of the Chicago Insurance Advisory Council. He was a member of the three-man legislative committee largely responsible for passage of the Illinois insurance code in 1937. He has been active in Chicago association work as membership, sales congress, legislation, life insurance week, cooperation with attorneys and publicity chairman. He served as director and national committeeman of the Chicago association for nine consecutive years. He is a past chairman of the Chicago Life Insurance & Trust Council.

and in the follow-up interviews. Prospecting was his biggest problem when he entered the business but he gave figures to show that development of a systematic prospecting plan has resulted in a larger volume of business per sale, with fewer calls.

Delegates "Rarin' To Go"

The delegates were on hand early Friday morning and "rarin' to go" as there had been of none of the distractions Thursday night such as the president's ball and the numerous company dinners

the previous night, which had made some of them a little reluctant to arise early on Thursday morning and hence somewhat dilatory in reaching the convention hall. On the other days, also, many had underestimated the distance of the convention hall from the various hotels and the time they would need to make the trip, but by Friday all of them had their schedules in that respect worked out more expertly.

Thursday afternoon also was much less

(Continued on page 12)

Hill, Moss and Cleeton Named as New Trustees

**Baumann Named Vice-
President, Orr Secretary,
Without Opposition**

NEW OFFICERS ELECTED

President—Philip B. Hobbs, Equitable Society, Chicago.

Vice-president—Jul B. Baumann, Pacific Mutual, Houston, Texas.

Secretary—Clifford H. Orr, National of Vermont, Philadelphia.

Trustees—Hugh S. Bell, Equitable Life of Iowa, Seattle; Judd C. Benson, Union Central Life, Cincinnati; John P. Costello, Southwestern Life, Dallas; Carlton W. Cox, Metropolitan Life, Paterson, N. J.; Herbert R. Hill, Life of Virginia, Richmond, Va.; and W. Ray Moss, Connecticut Mutual, Louisville, Ky. (two-year terms); Charles E. Cleeton, Occidental Life, Los Angeles; Cleeton, Occidental Life, Los Angeles

At the election meeting of the national council Thursday afternoon, four present trustees were reelected and three new members, Herbert R. Hill, Life of Virginia, Richmond; W. Ray Moss, Con-



Jul B. Baumann



Clifford H. Orr

necticut Mutual, Louisville, and Charles E. Cleeton, Occidental Life, Los Angeles, were elected to the board.

When Edward Choate, New England Mutual Life, Los Angeles, chairman of



W. E. Barton



Edward Choate

the nominating committee, went to the platform to announce the result of his committee's deliberations, there was no surprise in his announcement that Philip B. Hobbs was the nominee for president, Jul B. Baumann for vice president, Clifford H. Orr for secretary and Walter E. Barton for treasurer, as all of them were

(Continued on page 36)

270 Attend French Lick Meeting of Round Table

Harold Parsons Is New Chairman; Many Members Now in Cleveland

New Officers Elected

Chairman—Harold S. Parsons, Travelers, Los Angeles.

Vice Chairman—Paul H. Dunnagan, Canada Life, Minneapolis.

Executive committee—Paul W. Cook, Mutual Benefit, Chicago; Theodore Widing, Provident Mutual; Louis Behr, Equitable, Chicago.

By Richard J. Thain

FRENCH LICK—The 1946 meeting of the Million Dollar Round Table at this Hoosier resort set a record in attendance for these gatherings, with 270 registered. According to old-timers, it also set a record for intensity as in ex-officio sessions the members continued their meetings far beyond the allotted time at the expense of golf and the several other sports which were offered. From the eager attentiveness in scheduled sessions and the way these millionaires stuck to business even in bull sessions, it was easy to see why they comprise the cream of the nation's field forces.

The occasion was dampened by the illness of Louis Behr, Equitable Society, Chicago, who was to preside as M. D. R. T. chairman. Mr. Behr was confined to a Chicago hospital with jaundice which was described as confining but not too

serious. Mr. Behr's presence was felt at the gathering, for it was he who had made most of the arrangements and the several chairmen who substituted for him read the words which he had prepared for the occasion. The convention voted at the outset to send flowers and regrets to Mr. Behr.

As the millionaires opened the engraved leather notebooks presented to them by Equitable Society, and started noting down the opening proceedings, they found John E. Clayton, Massachusetts Mutual, Newark, the 1945 chairman, substituting for Mr. Behr. Mr. Clayton introduced Clancy D. Connell, president of the National Assn. of Life Underwriters, who started the meeting right off with some material into which the millionaires could sink their teeth.

Calls for Bequest Insurance

Mr. Connell pointed out that the income tax situation makes it doubtful that schools, churches, hospitals and other endowed institutions will any longer receive huge bequests from the immensely wealthy.

These institutions will now have to depend upon small gifts in large numbers to keep them going. Mr. Connell said that he felt M. D. R. T. should lead a general campaign by American life agents to push the use of life insurance for such bequests and free funds from tax losses.

Mr. Clayton then introduced those of the past chairmen of the Round Table who were present. It was in their honor that the 1946 meeting was held. Of this group brief reminiscences were made by Grant Taggart, California-Western States, Cowley, Wyo.; Harry T. Wright, Equitable Society, Chicago; Theodore M. Riehle, Equitable Society, New York City, and George E. Lackey, Massachusetts Mutual, Detroit.

(Continued on page 34)

100% Cooperation Needed on N. S. L. I.: Summers

Vaughn W. Summers, acting director conservation service, Veterans Administration, in his talk Tuesday at the national council meeting told the agents that there should be no question of their helping the veteran with his insurance problems. "Is it too much of a burden?" he asked.

There is a danger that the "lunatic fringe" can wreck the work and reputation of the capable underwriter, Mr. Summers said.

The changes in N. S. L. I. make it a really good buy, and the veteran must be told about it. He is not a demander of service, he said, but he needs assistance in a matter that was never thoroughly explained to him.

"In the towns and cities of this country millions of veterans have been absorbed into the mass of civilian population. A year after VJ Day the term veteran has become tinged with a peculiar meaning. Because it is so often coupled with the word service that word veteran has begun to denote, to some people, one who cannot stand on his own two feet and earn his way. Veterans, as a whole, are eager and anxious to get back to work and protect themselves and their families through their own earned incomes. You men and women can tell him at least one way to do just that.

"We are underwriters engaged in the business of selling planned security to the families of America. We sell for a profit, yet your association, your companies, and you have publicly expressed a desire to serve the veteran by advising him and counselling him to keep his insurance protection which was provided by our government during the war years.

Your motives were prompted by generosity and a desire to serve. You caught the spirit of Americanism and gave unstintingly of your time and efforts. Yet like Brewster's millions the good will you have created cannot be spent. Your business has enjoyed a veritable bonanza that is unparalleled in its history. Yet you have not flooded the market. In fact you have only scratched the surface. Today the necessity of life insurance is firmly established in the minds of all. Can we deny the fact that National Service Life Insurance has played an important part in this?

Lunatic Fringe Is Dangerous

"Some day soon the veteran and his family will comprise half the population of this country. They will remember those who stood by them and counselled them wisely. They will remember you if you don't let that "lunatic fringe" which feeds on the crumbs of your business, crowd you out of the picture. The lunatic fringe—those money-grabbing, short-sighted individuals who see no further than the serrated edge of the immediate, almighty dollar! Those agents to whom a code of ethics is for someone else and who would just as soon twist your contract as ours. Business is good today and no other single group of men can contribute more to the economic well-being of this country than you can by making that business even better. You have a golden opportunity to cement yourselves and your business in a solid, unshakable foundation of public esteem and respect. Is it such a burden, then, to serve the veteran? Let us see just what it is that this Government

(Continued on page 35)

NEW PLANS FOR MORE SALES

READY MONEY PLAN
(Combination Life and Accident)

DIME-A-DAY PLAN

CREDITORS GROUP LIFE

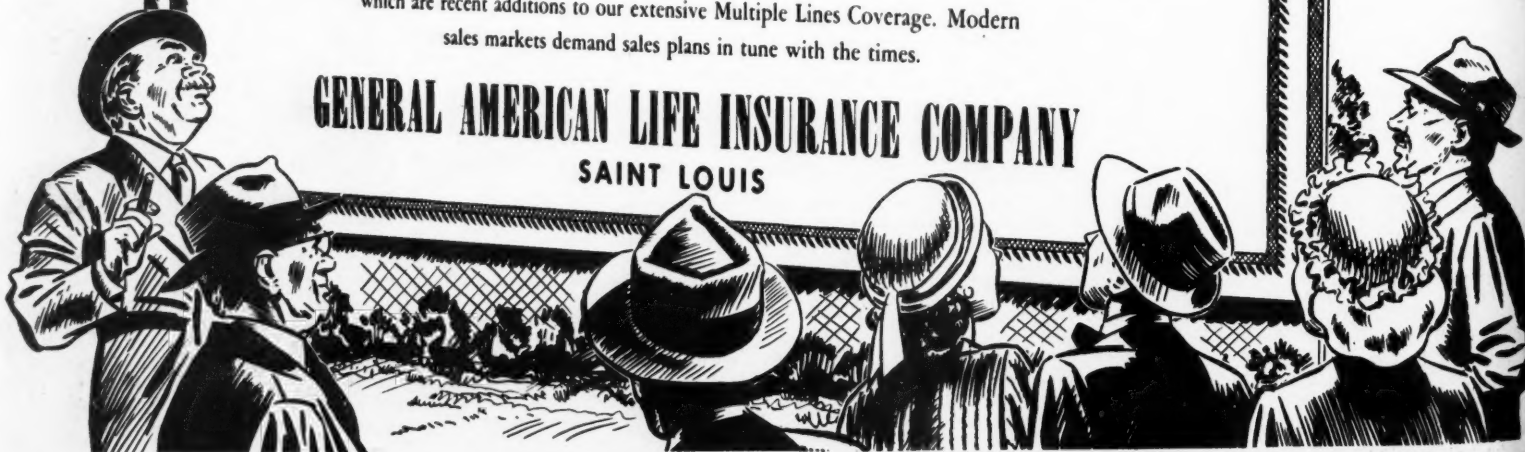
NEW PENSION TRUST PROGRAM

GROUP DIAGNOSTIC

GROUP HOSPITALIZATION
(25 lives or more)

Our field associates are already profiting from the sales plans above... all of which are recent additions to our extensive Multiple Lines Coverage. Modern sales markets demand sales plans in tune with the times.

GENERAL AMERICAN LIFE INSURANCE COMPANY
SAINT LOUIS



Industry Now In the Midst of Weighty Problems: Dr. Hahne

College President Reviews Social and Economic Responsibilities of Agents

Dr. Ernest H. Hahne, president of Miami University, Ohio, in his talk at the general session Friday morning on "Economic Aspects of Life Insurance in 1946," gave an absorbing account of the postwar problems of the life companies and agents.

Dr. Hahne said there are several significant economic and social aspects to consider. They are: The danger of communism; the rapid concentration of federal financing upon income as a source of revenue; inflation; the tendency of price control to become income control; and social insurance expansion.

"One of the greatest of the postwar problems," Dr. Hahne said, "is that of protecting our savers and of giving them rewards that will increase these savings out of which capital is formed."

Agent Protects Savings

"The life underwriter becomes the active agent for the American system that has been built upon the importance and protection of savings. The life underwriter is performing a tremendously important social service in encouraging savings during a period when powerful forces are undermining personal and corporate savings. Whatever impairs savings undermines that social service. In this great postwar struggle now taking place between communism and capitalistic democracy, the importance of the life underwriter's business is none too well understood. Thus in Russia we find machines, skyscrapers, gigantic power projects, and other forms of capital but it is built up by compulsory savings, while here in the United States our capital is built upon the basis of voluntary savings. The life underwriter who sells a life policy to any purchaser must induce that buyer voluntarily to contract for his own security or for the protection of his family. In Russia, on the other hand, taxes are levied, the money collected by the government and the taxpayer has little if anything to say about his willingness to pay taxes, he is compelled to pay them, and when his funds are invested in capital, it is formed upon a principle that strictly conforms to the principles of force and totalitarianism."

He said that if communism were to spread across the United States today, it is quite obvious that if any insurance business were to exist it would take the one form of state insurance. Hence, it is doubtful if there is any other single business that is so intimately tied up with the success of capitalistic democracy as that of the life underwriter.

Consumer Spending

The increase in consumer spending and the concomitant drop in personal savings is another great danger, Dr. Hahne declared. "What we are witnessing in 1946 is a definite and unmistakable drop in the rate of personal savings, not that they have unloaded all the war bonds purchased during the war years, although the comparative rate of sale and purchase of government bonds is none too reassuring. Specifically, consumer expenditure for goods and services for the second quarter of 1946 exceeded that for the second quarter a year ago by some \$20,000,000,000, despite the drop in nation gross products from an annual rate of \$208,000,000,000 to about \$185,-

(Continued on page 22)

Finlayson Reviews Selling The Professional Market

Selling the professional market, its aspects, and the type of underwriter needed for such a job, were discussed by John D. Finlayson, district manager at Ann Arbor, Mich., for Massachusetts Mutual Life, at the general session Friday morning.

Mr. Finlayson said that "Life is rapidly becoming more and more specialized, so much so that we now have specialists even in the life insurance business. I do not claim to be one of them, but I do know that the specialist in the life insurance business has to be one who confines his activities largely to a specialized market."

"Among specialized markets, there are few more specialized than the professional market. It is not only because of their own specialization that the professional men constitute a specialized market; it is because the very qualities which have caused them to be professional men have made of them a specialized market to a very high degree. Furthermore, the continuance of their serving within their profession deepens the degree to which they are specialized, and to which they constitute a specialized market for life insurance. He is ill prepared to serve the needs of the professional market who does not recognize the special nature of that market."

Has Variety of Prospects

There is a variety of prospects even in the professional field, he explained, and the agent must know each one. He must be sufficiently trained to meet each type of client in his own specialized group.

Describing some of the angles in selling professional people, Mr. Finlayson noted that real professional people have a special need of insurance service in their financial programs, because to be really professional he must devote his full time and effort to his professional pursuits. As a result, such a man has little experience in matters of finance. His capital is largely in his specialized knowledge and skill, and life insurance is the only adequate safeguard against the possibility of his losing his entire investment.

Calls for Trained Agent

"Not everyone who carries a rate book should try to sell life insurance to

professional people," he said. "When you consider how often professional people are called upon by inadequately trained life insurance salesmen, it would appear that the idea must have gotten abroad that professional people constitute the world's easiest pickings. I am certain that more agents would be thrown out of the offices of the professional people if it were not for the fact that professional people are generally courteous. No one should presume to deal with the life insurance estate of a professional man who does not know his life insurance quite as well as the professional man knows his profession. A professional man's training will enable him to sense most quickly any lack of information and training on the part of the agent, and he will resent the effrontery of being approached by a novice. No one is likely to succeed largely in dealing with professional men unless he knows his professional men. I do not mean simply acquaintance with the individual, but acquaintance with the profession and with the peculiar traits of character possessed by the individuals who enter that profession, which traits of character are still more indelibly stamped on the individuals by their continuance in that profession."

Professional Characteristics

He described some of the peculiarities of the different professions.

Physicians constitute a field of their own, he explained. The agent must realize some traits in this group before trying to sell them life insurance as such.

"Physicians are generally proud; they are proud of the position of respect and prestige in their respective communities," he declared. "They want that position of respect and prestige to continue, and they know they cannot continue without adequate resources. Therefore, they want to look to the days when they grow old and be sure that then they will still be able to carry the same respect and prestige which they carry today. This necessitates guaranteed old age income."

Even among physicians there is range of traits to be considered, he pointed out.

(Continued on page 45)

Definite Prospect System Results in Better Business

Fred H. White of Buffalo Outlines Direct Mail Methods He Has Used

The development of definite prospecting methods, with especial stress on direct mail, has resulted in a larger volume of business per sale, with fewer calls, Fred H. White, Connecticut Mutual Life, Buffalo, declared in his talk on "Prospecting Had Me Licked."

In 1940, his first full year in the business, Mr. White said he had to call on 41 people to make one sale for \$1,900. Since that time there has been a steady improvement and for the past three years he has found that 10 calls produced about three interviews and one sale for a little more than \$5,000. During these last three years he has produced about 100 cases per year for an annual volume of a little more than \$500,000.

When he decided to start selling life insurance, Mr. White found that prospecting was his toughest problem. He had lived in Buffalo only a short time and knew very few people. His former business had kept him out of town most of the time, and he did not have some of the natural contacts such as school chums, etc. So he had to do some real scratching for prospects.

Uses Series of Mailings

However, Jack O'Bannon, then supervisor, now general agent, got him interested in direct mail and he has developed a system which has proved very much worthwhile. He does not depend solely on the company's direct mail plan, but sends two mailing pieces from Buffalo, spaced one week apart, before sending his list of names to the home office for the regular home office letter, which includes the reply card. By following this plan, Mr. White says, the prospect receives enough mailing pieces from Connecticut Mutual so that he begins to wonder who is writing to him and, of course, by the time he receives the home office letter, he already has had an opportunity to give a little thought to his situation. Names are put on this mailing list at the rate of about 15 a week—rather than 100 at a time. Usually he receives three or four replies out of every 15 letters.

Making Up Mailing Lists

"Every fall I make up a list of my leading policyholders," Mr. White said. "Five years ago, when I did this for the first time, I only had 14 who had purchased over \$5,000. However, during the last few years, I have been able to make up a list of about 50 who have purchased \$10,000 or more. These lists are always prepared with several thoughts in mind: First, I like to include a group of people located in industrial plants, where I haven't yet exhausted my supply of prospects, and yet plants where I enjoy prestige. Second, a group of clients located in plants or among a group where I have done practically no prospecting and would like to get started. Third, a group of dependable centers-of-influence, who have always done a good job of referring me to people and who I'm sure will continue to do so."

(Continued on page 27)



Fred H. White



Shown against the background of the Institute of Life Insurance Education Exhibit are, on left, Holgar Johnson, Institute president, and Steacy Webster, General Agent Provident Mutual, Pittsburgh, and N.A.L.U. trustee.

Welcome to CLEVELAND

Henry G. Wischmeyer • George H. Plante

THE WISCHMEYER & PLANTE
GENERAL AGENCY

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LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS
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AND ASSOCIATES

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MANAGER

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HARTFORD, CONN.

Life—Accident—All Forms of Group
An Estate Analysis Office in an Estate
Analysis Company

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AND ASSOCIATES

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445 HANNA BUILDING

101 Years in Cleveland

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HARRY H. KAIL, Assistant General Agent

CONNECTICUT MUTUAL LIFE
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Northern Ohio Branch Office
MATT A. GROVE, Manager
855 Union Commerce Building

E. CLARE WEBER, C.L.U.
AND ASSOCIATES

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BRANCH MANAGER

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OF CANADA

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Telephone CHerry 7877

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THE EQUITABLE LIFE ASSURANCE
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AND ASSOCIATES

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925 N.B.C. Building Telephone CHerry 5840

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MANAGER

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LLOYD H. FEDER, Manager
H. R. HOSTETTLER, Associate Manager

OHIO DEPARTMENT
RELiance LIFE INSURANCE CO.
of PITTSBURGH

8th Floor, Sweetland Building



It is appropriate for the National Association of Life Underwriters to hold its Victory Convention in Cleveland in this first year after victory, for the spirit of progress so characteristic of our city is the same which exemplifies the postwar expansion program of the N.A.L.U.

In the quarter century since Cleveland was host to the National Association in 1921 Cleveland has made phenomenal progress while

the N.A.L.U. has increased its membership fourfold and has expanded its activities proportionately. Cleveland is celebrating its sesqui-centennial anniversary and its life underwriters are delighted indeed that our national body have elected to join us in that celebration at their fifty-seventh annual convention.



LIONEL MARTELLE
Manager

Acacia Mutual Life Insurance Company
Washington, D. C.
802-4 B. F. KEITH BUILDING

TRUMAN H. CUMMINGS & ASSOCIATES

National Life Insurance Company

Montpelier, Vermont

1400 N.B.C. Building

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Representation in Cleveland



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ROBERT T. MOORE

GENERAL AGENT

THE OHIO NATIONAL LIFE
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821 HANNA BUILDING

G. B. Chapman

D. E. Hanson



G. B. CHAPMAN & CO.

General Agents

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Sixth Floor, Leader Building

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STATE MUTUAL LIFE ASSURANCE
CO. OF WORCESTER, MASS.

722 LEADER BUILDING

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Inc. 1844

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J. RAY DAVIS, General Agent

Provident Mutual Life Insurance Co.
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1510 KEITH BUILDING

WALTER H. BROWN

Manager Ordinary Department

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

Home Office, Newark, N. J.

1130 HANNA BUILDING

drop in!

The Cleveland Agency of Ohio's oldest life insurance company invites members of the NALU to stop in anytime during their Convention stay.

James H. McCullough, Mgr.

THE UNION CENTRAL LIFE
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930 Keith Building 1621 Euclid Avenue
Cleveland 15, Ohio

Greetings

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of LIFE UNDERWRITERS
from NEW YORK
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FREDERIC S. DOREMUS
JAMES ELTON BRAGG, C.L.U.
Managers

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of America

Home Office Agency
50 Union Square

Downtown Office
60 John Street

RICHARD E. MYER

Successor to
IVES & MYRICK

Manager

The Mutual Life Insurance Company
of New York

57 WILLIAM STREET

NEW YORK

VAN ALST AGENCY

R. A. VAN ALST, JR., General Agent
Berkshire Life Insurance Company
of Pittsfield, Mass.

Lincoln Building
60 East 42nd Street
MURRAY HILL 2-8302
New York City

Equitable Life Insurance Company of Iowa

HOEY & ELLISON
GENERAL AGENTS

118 WILLIAM STREET
BARCLAY 7-4800
EDWIN J. PHELPS, Manager
NEW YORK



RAYMOND F. BIERBAUM
GENERAL AGENT

The Mutual Benefit Life
Insurance Company

110 EAST 42ND STREET
MURRAY HILL 5-5087
NEW YORK

JULES ANZEL AGENCY

GENERAL AGENT
Continental American Life Insurance
Company

Home Office: Wilmington, Del.
60 E. 42ND STREET
MURRAY HILL 2-2833
NEW YORK

THE SAMUEL L. ZEIGEN AGENCY

Provident Mutual Life Insurance
Company

501 FIFTH AVENUE
MURRAY HILL 2-9192
NEW YORK

THE S. S. WOLFSON AGENCY, INC.

GENERAL AGENT
Berkshire Life Insurance Company

17 E. 42ND STREET
S. Samuel Wolfson, President
Hilliard N. Rentner, Vice President
NEW YORK

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

Eighty John Street Branch Office
C. W. SABIN, Manager

Whitehall 3-6767

THE LARKIN AGENCY

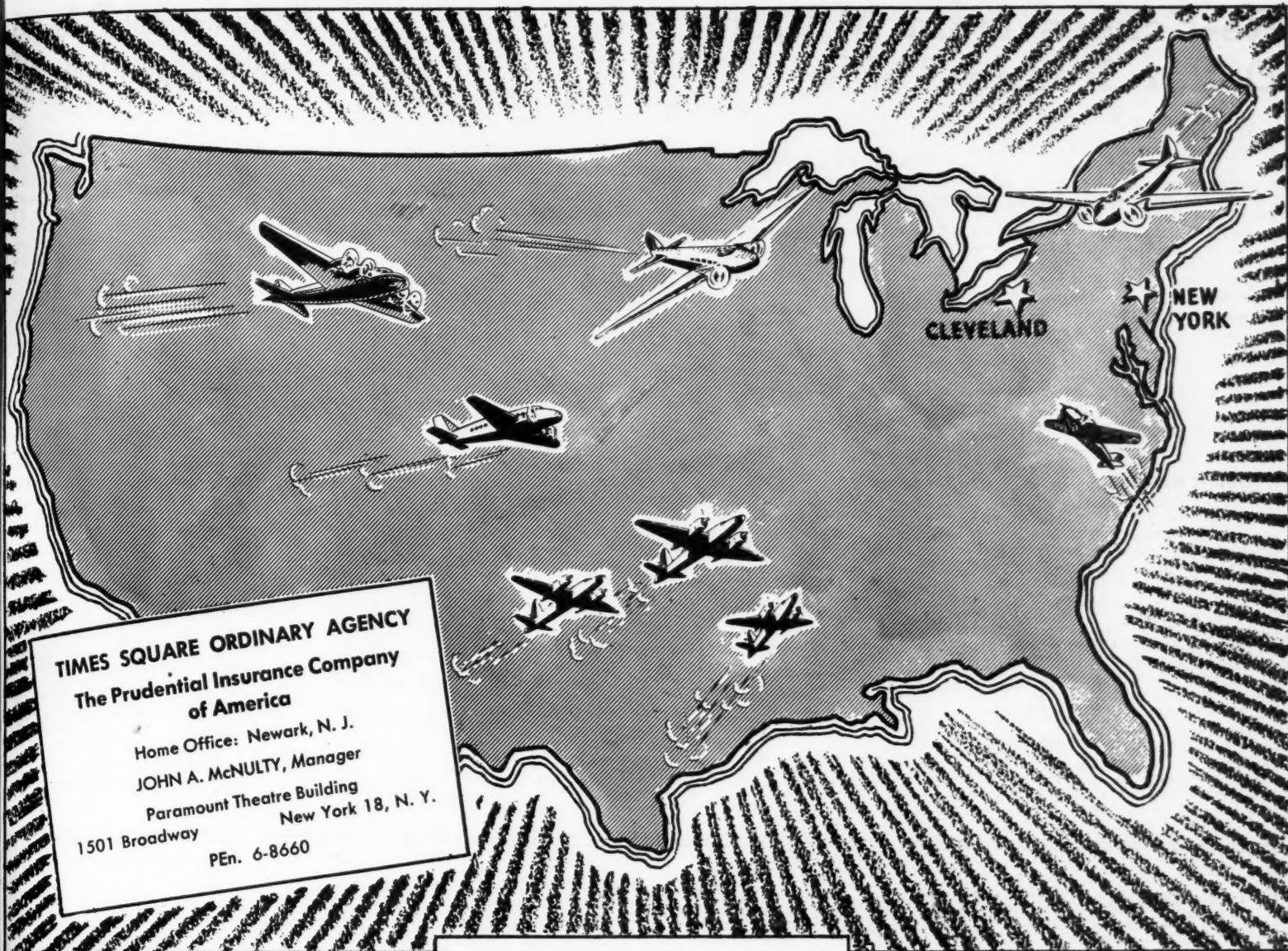
Connecticut General Life Insurance
Company

RUSSELL E. LARKIN, Manager
GEORGE H. GREASON, Brokerage Manager
REctor 2-6633
225 BROADWAY

THE MACCABEES

60 EAST 42ND STREET
NEW YORK, N. Y.

GEORGE SHELLEY
Metropolitan Manager



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JOHN A. McNULTY, Manager
Paramount Theatre Building
New York 18, N. Y.
1501 Broadway
PEn. 6-8660

Telephone MURRAY HILL 2-4500

ISADORE FREID

General Agent
New England Mutual Life
Insurance Company
NEW YORK
17 EAST 42nd ST.



TIMOTHY W. FOLEY
GENERAL AGENT

ASHLAND 4-4417
370 LEXINGTON AVE. AT 41ST STREET

PHONE BARCLAY 7-3836

RAYMOND F. THORNE
GENERAL AGENT
Berkshire Life Insurance Company

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NEW YORK

ARTHUR L. SULLIVAN
MANAGER

The Fidelity Mutual Life Insurance Co.

WHITEHALL 4-5926
107 WILLIAM STREET NEW YORK CITY

HARRY GARDINER
GENERAL AGENT

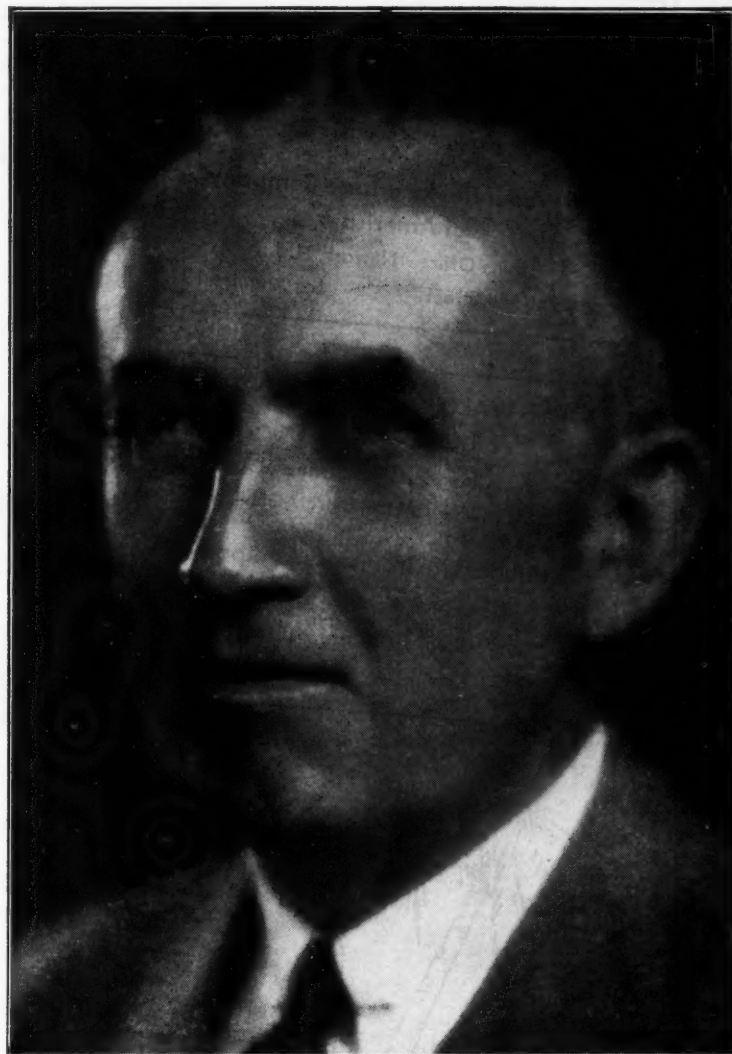
John Hancock Mutual Life
Insurance Company

225 BROADWAY

WHITEHALL 4-7697

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GENERAL AGENT
CONTINENTAL ASSURANCE COMPANY

SAMUEL D. ROSAN, President
76 WILLIAM ST. NEW YORK 5, N. Y.



We take this opportunity to congratulate Clancy D. Connell:

As president of the National Association of Life Underwriters, by reason of the successful conduct of his office during a difficult period of expansion and post-war development.

As General Agent of this Company, by reason of his exceeding by wide margins the production and persistency quotas set by the Company for his agency during the year to date.

As a leader of men, by reason of the high volume of business from junior agents secured by his agency this year.

*To this friendly and enthusiastic co-worker we extend a
very sincere "well done!"*

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AGENCY MANAGER

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Manager Southern California

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from

LOS ANGELES to CLEVELAND

see you Los Angeles in 1948



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Los Angeles 14

Bradley Praises N. S. L. I. Aid; Further Support Pledged

Continued support to the Veterans Administration in its varied activities and especially those concerned with National Service Life Insurance was pledged following the address of Gen. Omar N. Bradley, head of V. A., at the Thursday morning session.

General Bradley praised highly the assistance already given by the insurance industry in bringing about the retention of N.S.L.I., stressed its importance as a "vast reservoir of protection for veterans and their families, described the operation of the organization and discussed the pros and cons of the changes recently made in coverages granted to veterans under these policies.

"The commercial insurance companies of America—together with their representatives—have shown themselves as strong allies of the Veterans Administration during this long busy year that has followed the end of the shooting war," General Bradley said.

"I wish particularly to acknowledge the outstanding work of the National Assn. of Life Underwriters, the life insurance companies represented by the joint committee of the American Life Convention, the Life Insurance Association of America, the Institute of Life Insurance in helping veterans conserve the security afforded them through national service life insurance.

"The value of assistance we have had from the life underwriters, the joint committee and the institute during the past year

cannot be overestimated. However, the need for your continued help is even greater. During the coming year our work must be intensified. Although mindful of the good job you have already done, I have come here to ask you to redouble your efforts that each veteran may be given the fair chance to make an honest and intelligent choice on his government insurance.

"I am asking this of you in the name of every veteran of World War II. You are the people who really carry the ball from your offices on Main Street to every city and town in the country. It's your job to know people. It's your job to sit down and talk with people, to advise and help them with their insurance needs, to straighten out their misunderstandings, to comb insurance ignorance. You can fit into its proper perspective the importance of national service life insurance to the welfare and security of the veteran and his family.

Some Insurance Considerations

"Although not an insurance man myself, as administrator of veterans affairs I head up the biggest mutual insurance system in the world. It is in that capacity that certain insurance considerations seem to me to be especially important. They are linked together by truth, by logic, by a decent regard for the financial well-being of veterans, and by a determination to preserve and strengthen the stability of our country.

Have Right to Information

"In the first place, Congress has shown its concern for the peacetime financial security of veterans and their families, by providing a wide variety of G. I. insurance benefits.

"Second, veterans have the right to the widest possible information and to the best possible service in a field that is as technical and complicated as life insurance.

"Third, the Veterans Administration is working hard to improve its insurance service to veterans.

"Fourth, insurance benefits effect greater numbers of people than any other of the G. I. benefits, the economic stability of the United States is materially affected by the financial security of its individual citizens and their families. Veterans of World War II and their families will eventually represent approximately one half of the entire population of this country.

Service Has Been Below Par

"Let me frankly say that the insurance service provided by the Veterans Administration has been below par. In large part, this was due to lack of personnel, lack of space and other facilities. These unavoidable shortages occurred at the very time when a tidal wave of veterans, released from service by policy of rapid demobilization were changing from E group method of settlement to individually remitting their premiums.

Should Break Bottlenecks

"To break these bottlenecks in handling insurance accounts, we elected to decentralize the operation from our overcrowded center in New York to 13 branch offices conveniently located over the country. And although we can anticipate better service when decentralization is completed, we have had to put up with delay while working out these new plans. Eventually, we shall find those difficulties justified in the overall long term improvement of our service. You will agree that our insurance business is still fairly big, when you consider that we have been getting over two million remittances a month.

"However, I think that I can promise you that early next year our decentralization of insurance will be completed. We shall then be in a position to provide in this enormously important phase of the veterans administration the standards of performance we

(Continued on page 33)

Monahan Brings Greetings From Canadian Group

At the first session of the convention P. M. Monahan, manager at Toronto for Canada Life and president of the Life Underwriters Association of Canada brought greetings to the convention from the Canadian Association.

Mr. Monahan said, "It is not mere formal expression when I say that it is a great honor to have this opportunity to bring greetings from the life underwriters of Canada to this great national convention.

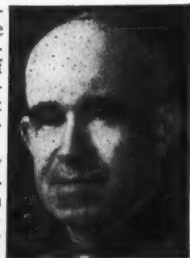
"It makes it possible for me, on behalf of the Life Underwriters Association of Canada, to give expression to our sincere appreciation for the many fine acts of co-operation we have received from members of your association.

"Over the years we feel that we have received much more inspiration and practical assistance from you than you have received from us. However, we do feel that we have been able to make some contribution that may have been of value to your association.

"I refer particularly to the work our association has done in co-operation with our company executives in Canada by way of improving agency practices and formulating principles governing agency operations that have done much to set a pattern for sound agency operations.

"I realize, of course, that in Canada we have been able to experiment more readily for we have fewer companies to deal with, also fewer insurance jurisdictions and further we have a smaller agency group than you have in this country.

"It would seem, therefore, that the closer our two associations can work together the better for our common objective—namely that the insuring public receive high quality life insurance service from carefully selected, well trained, competent life underwriters."



Gen. O. N. Bradley

Greetings to the



NATIONAL ASSOCIATION OF LIFE UNDERWRITERS from KANSAS CITY, MO.

"Hats off" to the Officers and Headquarters Staff
for the grand job they are doing

HERBERT A. HEDGES & ASSOCIATES

General Agent

EQUITABLE LIFE OF IOWA, KANSAS CITY, MO.

ROBERT J. COSTIGAN

MISSOURI BRANCH MANAGER

BUSINESS MEN'S ASSURANCE COMPANY

230 B. M. A. BUILDING

WILLIAM J. SLACK

MANAGER

METROPOLITAN LIFE INSURANCE COMPANY

BRYANT BLDG.

KANSAS CITY AGENCY

J. D. McInnes, Manager

KANSAS CITY LIFE INSURANCE CO.

University Club Bldg., 914 Baltimore Ave.

J. R. FARNEY

Director of Agencies, Western Division

THE OHIO NATIONAL LIFE INSURANCE CO.

Missouri—Kansas

1111 BRYANT BUILDING

**KANSAS CITY LIFE
UNDERWRITERS**

Leading Life Offices of Chicago

N. A. L. U. 57th Anniversary

ROCKWOOD



S. EDWARDS

General Agent

AETNA LIFE INSURANCE COMPANY

120 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS

Telephone Andover 1920

The offices listed on this page are leaders in the life insurance field in Chicago. They believe in the National Association and for what it stands, and through this medium extend their cordial greetings to the 57th annual meeting in Cleveland.

W. A. ALEXANDER & COMPANY

WADE FETZER, JR.

JOHN H. SHEPHERD

GENERAL AGENTS of

THE PENN MUTUAL Life Insurance Company

135 South La Salle Street

Franklin 7300

CHICAGO

Reliance Life Insurance Company of Pittsburgh

ILLINOIS DEPARTMENT

111 W. Washington Street

Telephone: Ran, 6588

WILLIAM C. PECK, Manager

JACK E. RAWLES, C. L. U. Agency Instructor

Territory: Northern Illinois, Northern Indiana, Eastern Iowa

THE EWING AGENCY

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY
OF PHILADELPHIA

Founded 1865

WILLARD EWING

GENERAL AGENT

Phone Randolph 6088

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CHICAGO, ILL.

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Agency ManagerWarren V. Woody
Agency ManagerRobt. R. Reno, Jr.
Agency Manager29 So. La Salle St.
CHICAGO

THE CHICAGO AGENCY

The Prudential Insurance Co.

of America

Home Office: Newark, N. J.

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GEORGE L. SCHOMBURG

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Assistant Managers

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Cashier

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Marsh & McLennan

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Seattle	Buffalo
Montreal	Indianapolis
New York	St. Paul
Washington	Phoenix
Boston	Vancouver
Columbus	London

JAMISON, PHELPS AND ASSOCIATES

General Agency

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

An association of career underwriters who take pride in their work and the product they sell

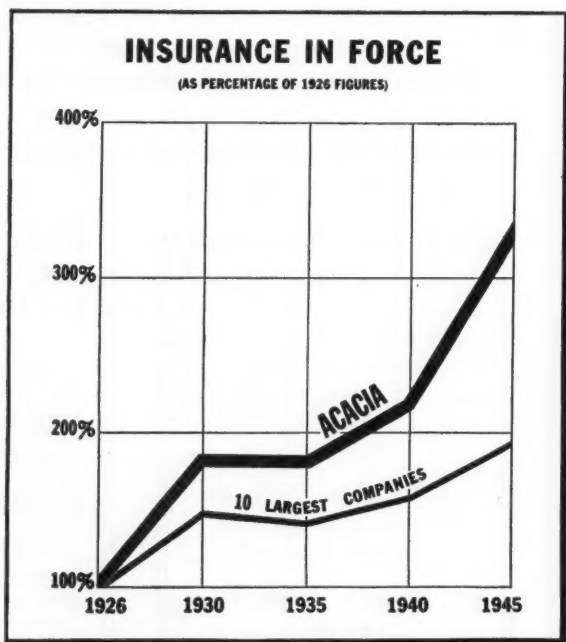
Phone State 0633

208 S. La Salle Street

ACACIA ASKS WHY

ACACIA MUTUAL, 20 years ago, came to the conclusion that for the benefit of the policyholders there was only one answer to these questions. Consequently it **REDUCED ITS PREMIUMS** to the level of the stock companies and agreed, in addition, to **RETURN TO ITS POLICYHOLDERS** as real dividends any excess earnings and savings that could be effected.

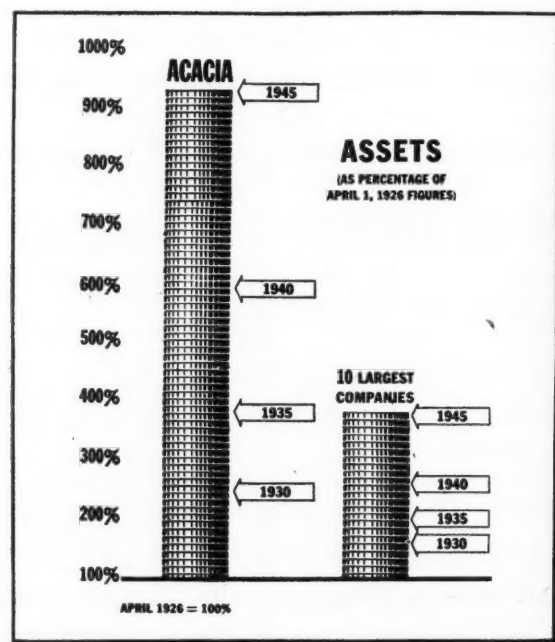
ACACIA MUTUAL'S AMAZING RECORD during these 20 years, shown by the following charts, tells its own story of growth and progress we believe to be unparalleled in life insurance annals—and what is more important, the policyholders have materially benefited not only by the **REDUCED PREMIUM COST** of their life insurance, but by the **REAL DIVIDENDS** they have received.



With Acacia Mutual's low premiums, financial strength and farsighted management, it is no wonder that the America public has patronized it so generously.

Since April 1, 1926,

Acacia Mutual's insurance in force has more than tripled in amount—increasing at better than twice the average rate for the ten largest life insurance companies.



Not only has Acacia insurance in force grown at a phenomenal rate but the assets of the Company have grown even faster.

Assets are the bonds, mortgage loans, policy loans, real estate and other property held by insurance companies as security behind the policy contracts.

Since April 1, 1926,

Acacia Mutual's assets have grown three times as fast as the average for the ten largest life insurance companies.

1 ?

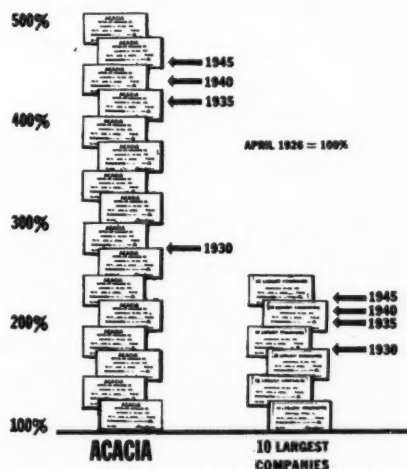
SINCE THE STOCK COMPANIES have PROVED that life insurance can be safely sold at lower initial premiums than the rates charged by the mutual companies, WHY should not the mutual companies reduce their premiums to the level of the stock companies?

WHY do the MUTUAL COMPANIES rely on misleading and fallacious "dividend" estimates to sell their insurance, a sales practice that is fundamentally unsound and that creates misunderstanding and disappointment?

SINCE THE STOCK COMPANIES, even with their low premiums, have made fortunes for their stockholders, WHY should not the MUTUAL COMPANIES operate on the same premium basis and return to their POLICYHOLDERS the excess earnings and savings that in a stock company are given to the STOCKHOLDERS?

PAID TO POLICYHOLDERS AND BENEFICIARIES

(AS PERCENTAGE OF 1926 FIGURES)



Payments to policyholders and beneficiaries include surrender values, dividends, death and disability benefits and proceeds of endowment policies at maturity.

Since April 1, 1926.

Acacia has paid to policyholders and beneficiaries a total of \$104,200,000 of which more than \$15,000,000 represented *real* dividend payments.

You will want to read Mr. Montgomery's 77th Annual Report to the Company's policyholders, a report that has attracted widespread interest. Write to the Acacia Mutual Life Insurance Company, Washington 1, D. C., for a copy.



Acacia Mutual Home Office Building

Facing Nation's Capitol

Reality of Women's Influence Is Related

The important part that women are playing in all fields and the necessity for more attention being given to them by life companies and salesmen was brought out forcefully by Marion S. Eberly, director women's division Institute of Life Insurance, in her talk before the women's session Wednesday afternoon.

"If anyone doubts the reality of woman's influence, a week in my office would convert him," Mrs. Eberly said. "Men and women responsible for shaping public relations programs for various industries, publishers, writers, even candidates for public office, come to us to consult about 'Woman's Point of View.' One group of magazines has just surveyed for its advertisers 'How Much Women Influence Sales' and sent me a copy of their conclusions. Their findings have made more than one business executive wonder why he has overlooked feminine influence and wonder,

too, what feminine influence can do for him.

Influence Is Reality

"This is only one of many surveys focussing upon woman's habits, desires, and needs. And so they come, business people (and this sort of thing is going on throughout the entire country) they come to us to use us as a sort of sounding board for their ideas on how they can capture the interest of American women.

"The influence of American women, being a reality, not a fanciful idea, there arises the whole question of how women use their influence—this tremendous power they wield. Incidentally, have you seen the Ladies Home Journal article called 'The Two Lives of Women?' meaning the life each woman lives in her own personal and private circle of family or intimate friends and the other life she leads in her community-wide activi-

ties. Most thinking women care deeply about both these lives they live. Women know that their own personal lives are affected by what goes on in their communities. War has taught us how our personal lives are affected by our place and our activities in the larger community of nations.

Two Things of Primary Concern

"Women are terribly concerned about peace—a peaceful world. They are, frankly, confused. As who is not? Women are sometimes discouraged and fearful. They know that tension between nations can no more be ignored than you can ignore a child's temperature when it shoots to 104 degrees. You have to do something. You have to carry out the prescriptions of experts. Never have women been so eager as now for expert guidance in how they can help to lessen tensions and develop law and order and if possible friendship between nations.

What Makes Happy Family Life

"The second preoccupation of American women is beyond any shadow of a doubt with what makes happy family life. Everyone knows family happiness depends upon many things—affection, health, steady income, educational opportunities to develop each member's fullest capacities, recreation, friendships—the home as a center for friendships."

"With the rise in living costs, which, in spite of all we have done to prevent inflation, seems an inevitable aftermath of wars, the women of this country are disturbed, some are confused, bewildered, fearful, and many are just plain mad. They think they've been completely misled. They've restrained themselves when they saw things they wanted; they remembered the slogan 'Buy only what you need,' and now our houses are getting threadbare and there are no supplies available. When they do appear, we know they'll be much higher priced. So woman's job becomes very emphatically a matter of developing good money management. Some women have it already but most of us have to learn it. There comes in the need for expert help.

Life Insurance Fundamental Item

"The Life Insurance Companies of America are continuing their institutional message, their monthly message to the American people by concentrating upon statements from authorities in the various fields that directly bear upon planning the family's use of income. We, in the life insurance business, can speak with complete authority, about one fundamental item in family use of income—life insurance—with knowledge of how life insurance policies have been developed to meet specific family needs, with accurate reports on the people's buying of life insurance, with statistical statements of how policyholders reserve funds are invested to strengthen and maintain our national economy.

"We can speak with complete author-



Vincent B. Coffin, vice-president Connecticut Mutual Life, enjoying a "good one."

ity as to what part of life insurance plays in family security and national security—in such important aspects of these securities as creating jobs, meeting housing shortages, etc. We can even speak with authority in matters of family health but in many of the other aspects of family happiness, we could only express opinions not give facts backed by statistical knowledge and trend surveys. Therefore our monthly messages on matters of the use of family income will very often be quotations from experts in their respective fields—church, school, community welfare agencies—all have a vital part in this matter of money management. We believe firmly in having the whole family share in planning the family spending. We hope to encourage the excellent habit of drawing every member into the family council.

Develop Carefree Family

"Have you seen the 'Fortune' poll called 'Who Is Boss in Your Home?' The obvious retort is, 'If there's a boss in your home, it's no happy home.' Men, women and children together talking over what they want to accomplish, what they care so much about they are willing to give up less essential things for it—men, women and children respecting each other's opinions, willing to work out a joint plan—let's swing all our feminine influence toward developing a world at peace and a family that's happy and carefree in the best sense of the word. It's largely a woman's job—her influence can swing husband and children into this habit of family planning for family happiness.

If all the women of this country know

A HEARTY WELCOME!

The Midland Mutual Life extends greetings to all Underwriters attending the FIFTY-SEVENTH ANNUAL CONVENTION in Cleveland, September 9-13, 1946.

**The
Midland Mutual Life Insurance Co.**

Columbus 16, Ohio

Over \$103,000,000 in force in Ohio

Two District Encampments for Woodmen Uniform Rank

More than 1,000 Woodmen of the World members will attend the Society's semi-military Uniform Rank district encampments at Camp Couchdale, Hot Springs, Ark., August 25-31, and Myrtle Beach, S. C., September 9 to 12.

Instruction in drill, guard mount, guard duty and parades will conclude with competition for prizes in field drill, floor work and individual competition. Athletic sports and other recreation will complete the encampments' activities.

WOODMEN OF THE WORLD
Life Insurance Society
Omaha, Nebr.

we, in the life insurance business, are completely with them ready to help them in our special field and to garner wisdom from them from the other essential fields, I do believe that we can all have a part in building a stronger, happier family life in this country of ours.

"For any friends who are unfamiliar with how the women's division of the Institute of Life Insurance is working for all women—let me say that we turn out study materials on life insurance for special organizations, informational leaflets for the groups which desire them. We prepare special articles for magazines and scripts for radio broadcasts—we draw up background material for free lance writers, we furnish speakers on specific aspects, we are constantly gathering ideas for greater usefulness from the brilliant men and women in the business and we gather points of view from the women of the country to channel back to the life insurance companies, in order that they may render an even greater service to meet women's needs.

Proud of Insurance Women

"The life insurance women who are hosts at this convention have been so generous with their friendship, with their appreciation of the job the Institute is trying to accomplish, generous with their ideas and loyal support, that I am filled with pride to be in any way their voice.

"The women librarians, teachers, organization leaders, the women of America who turn to our business have proven so quick to value our services that I wish all women who have helped to create and maintain these services could experience with me the thrill of our extensive cooperation with American women throughout the entire country."

Elsie Stapleton of New York, recognized nationally as an authority on budgeting, speaking at the same session on "Does Anybody Plan the Family Spending" said she was in a position to appreciate the fine work that life insurance is doing, as in the budgets that have been submitted to her she has had an opportunity to note the absence or minimum of life insurance in them and the result of it.

"Are you planning your spending on your gross income or your net income? Many a man that I have budgeted still thinks in terms of his gross income, which is not his at all. His income tax makes his net income, or the money he has in his fist, the only money he has to spend. But he keeps on telling himself that he will take such and such a percentage for rent—for instance, 20%, of his gross income. He is all wrong and his budget will never work out as long as he follows this procedure. The idea is to count only on the money you have in your fist or your pocket.

Too Much Life Insurance?

"What is the answer to those who say 'We have too much life insurance'? If you can't live on your present income, how could you manage if the breadwinner were gone.

"When you plan the family spending do you try to find out what most people in the family want, not what one selfishly wants? What most people want for the family usually turns out to be right and turns out to be for the most good.

"At what age do your daughters begin to buy their own clothes? If you go shopping with your daughter when she is 21 years of age, can you keep still while she buys her clothes unless you are asked for your opinion?

"Do you say you don't get any fun out of life—you never have any money to spend for those little extras that make for fun? You certainly spend enough according to your budget for fun. The most pathetic of all things is to see people spending a good percentage for fun and getting no fun out of the fun they are buying.

"You do not like to keep accounts. Well, if the company you work for did not like to keep accounts, you might have

quite a time getting your salary. No business, including a home, can function efficiently without a budget."

Miss Stapleton defined budgeting as the allocating, spending and saving of money. While there often has been rather a tendency to make light of the family budget, she said that it is just as important to the family as to a business, as a family is, or should be, a business itself.

She said there is no such thing as a ready-made budget, although she has received innumerable requests for such budgets for families of various sizes and

degrees of income, including the making of provision for dogs, cats, turtles and even an "expectant rabbit". She recited many interesting and sometimes amusing experiences she has had in connection with requests for the preparation of budgets.

Present J. S. Edwards Award

The J. Stanley Edwards Award for citizenship and outstanding service in life insurance and the National association and Institute of Life Insurance has been awarded by the Denver association

to George Williams, general agent there of Union Central Life. This is the first time the award has been given. It will be made each year to a qualifying producer.

Gives Nation-Wide Broadcast

Nathan H. Weise, Persons agency of Mutual Life in Chicago, broadcast for six minutes over the nation-wide Bob Elston's "20th Century Hour" last week, reaching an audience of 11,000,000 people. He publicized life insurance as a career, emphasizing the service rendered by life underwriters.



THOMAS B. MORRIS

is the leading producer in paid business for the month of July

The MAN of the MONTH

When a fellow has a grand business, a fine Company to support it, and a swell feeling of the future, it's just sort of foolish not to feel a little possessive. Since I'm going into my fifth year in the business, it's a good time to take inventory and determine the things that contributed, not necessarily to any sales success, but rather to a genuinely good feeling about the business of being an insurance man.

It seems the longer you're in, the easier it becomes. Being identified by more and more people, the by-product obviously is more and better results.

However, all of your enthusiasm and contacts can mean little unless backed up by your associates and leaders of your own company. We, in the Ohio State Life, think of the organization as a ball team with every one picked and expected to play his position. We have a lot of fun playing this "ball game" because everyone from President Adams on down gives enthusiastic support in order to have a winning team.

Thomas B. Morris

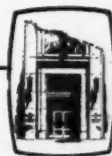
CLARIS ADAMS
President

★

FRANK L. BARNES
Vice President
Director of Agencies

THE OHIO STATE LIFE

Insurance Company



COLUMBUS, OHIO

Dr. Hahne Tells of Industry's Problems

(Continued from page 7)

000,000,000. Although income payments were not substantially less than for 1945, consumer spending has risen about 50% within a year. During the second quarter of 1945 personal net savings had reached an annual rate of about \$20,000,000,000 and by May, 1946, had dropped to about half a billion for the second quarter. In such an atmosphere of spending the outlook for the sale of life insurance looks none too bright.

"Another aspect of this increase in spending merits especial study. Rational consumption calls for increased consumer spending on durable goods, but today it is notoriously true that durable goods are not being produced in sufficient supply to meet demand at fair prices. This applies especially to such items as sewing machines, passenger cars, refrigerators, vacuum cleaners, and other durable consumer and producer goods. The result is that spending is concentrated on non-durable goods, or

those which are exhausted immediately in the processes of use, and which involve the minimum saving on the part of spenders.

"This type of spending indicates that the American people have grown more impatient, less prospective, and have shown a definite preference for present and immediate satisfactions over the more uncertain future satisfactions. In this type of social temperament sales of life insurance become gradually more difficult. This has a pronounced influence upon the future because it is the savings of today that ripen into the capital goods of tomorrow. provided these savings are invested in industries that produce the goods needed in the future."

Savings Go Into Debt

The savings of buyers of life insurance during the past year have been directed into the federal debt, Dr. Hahne pointed out. Using Life Insurance Assn. of America figures, he noted that the 36 companies holding 82% of the total assets of all United States legal reserve companies, admitted assets rose from \$34,500,000,000 in May, 1945, to \$37,300,000,000 by May, 1946, an increase of \$2,800,000,000. For the same months holdings of the United States government bonds rose from \$14,600,000,000 to



W. H. Andrews, Jefferson Standard Life, on left, Greensboro, N. C., and Wayman L. Dean, Life & Casualty, Jacksonville, Fla., at trustees' meeting.

CONGRATULATIONS TO N. A. L. U. MEMBERS

Progress of life insurance in recent months has evidenced the fact that—

The Life Underwriter and the Life Insurance business are held in higher esteem today than ever before.

Your Bond work during the war, your civic pride and leadership, your far-sighted policy on National Service Insurance, your sound, conscientious advice to policyholders and beneficiaries is winning for you a place of deserved confidence. Your record for 1946 to date is outstanding.

IT WILL INTEREST YOU TO KNOW

—that INDIANAPOLIS LIFE men and women are in the forefront in all these worthy objectives and accomplishments.

NEW BUSINESS IS 81.5% ahead of the same period last year

GAIN OF INSURANCE IN FORCE for the first seven months exceeds by almost \$1,000,000 the gain for the ENTIRE YEAR 1945—which was the largest year in our history.

TRAINING and RETRAINING—

modern working tools, the stress on "Quality, Service, and Safety" are spelling substantial progress during our 41st year in business for the Company and its representatives.

INDIANAPOLIS LIFE INSURANCE COMPANY

Indianapolis 7, Indiana

A Quality, Legal Reserve, Mutual Company
with over \$169,000,000 of insurance in force.

EDWARD B. RAUB
President

A. H. KAHLER
Second Vice-President

\$18,400,000,000, or a rise of \$3,800,000,000. During the same period the holdings of public utility and railroad bonds declined while an increase of only \$200,000,000 took place in all other bonds, and stocks, chiefly in industrial companies.

"Keeping in mind the restricted range of investments prescribed by law, within which the management of life insurance companies may operate, it is at once apparent that the lion's share of premium payments finds its way into federal debt. This process facilitates the expansion of the federal debt, smooths the paths of Treasury management, encourages government competition with private enterprise, facilitates public waste, assures continuance of low interest rates for both public and private investment, penalizes the buyers of insurance with lower dividends, discourages the expansion of industrial and commercial corporations turning out goods that raise the American standards of living, checks the rate of industrial reconversion, and ultimately delays the restoration of a sound economy upon which capitalistic democracy is built.

Investments Are for Debt, Too

"Perhaps the growing investment in federal debt merely reflects the insecurities and uncertainties connected with private investment as seen from the viewpoint of the management of the great life insurance companies. But let us keep in mind that when the time comes that the bonds are paid off, then management must confront the problem of what to do with the cash received for the bonds now held. In other words, if capitalistic democracy is to survive there will come a time when the direction of investment and savings will be placed squarely upon the shoulders of the management of the life underwriters, and a courageous and foresighted leadership will recognize in 1946 the existence of that problem."

Heavy income and inheritance taxes constitute another problem, he said.

"So far as the development of capitalistic democracy is concerned it is small consolation to point out that life underwriters are in the unusually fortunate position of being able to urge the buyer to take life insurance in order to enable his family to meet abnormally heavy state inheritance and federal estate taxes. The savings that are made for

these purposes are not poured back into the channels of industry to develop the supply of capital goods. Only when the Treasury uses funds accumulated from these sources to retire the governmental indebtedness and serves as a middleman in shifting the funds from the saver for life insurance to the saver holding the governmental bonds, does the government aid the development of capitalistic production. All too little attention has been given this aspect of federal debt retirement, but perhaps it merits the attention of those especially concerned with life insurance and its social and economic implications."

Inflation Danger

Dr. Hahne then told of the dangers of inflation: "Superficially the policies are written in terms of dollars, require premium payments in terms of dollars, while claims are settled in the same terms. But fundamentally, security must be measured in terms of purchasing power and not dollars. The very integrity of a salesman is placed in jeopardy whenever he sells a policy for \$10,000, and whenever the claim is settled so that the cash payment affords about half the purchasing power surrendered in premium payments.

"It is very doubtful if there are any business men more interested in the establishment of a stabilized economy than life underwriters.

"To those who will not buy insurance because of the dangers of inflation, you might well reply that there is no danger of a repetition of a Russian or German runaway inflation because here in the United States we have \$20,000,000,000 in the largest gold holdings in the world, and runaway inflation has existed only in those countries where gold has disappeared. In short, we can always return to convertibility of paper money on some gold basis, not necessarily on the same gold basis as existed in pre-depression days, but on some sound ratio. This fundamental fact is worth books on books of price control theory. "From the viewpoint of life underwriting, both inflation and deflation are equally vicious. Security calls for a stabilized economy."

Price Controls

Another aspect of the agent's responsibilities is price control, which, Dr.

Hahne said, affects life insurance in a far reaching manner too little understood.

"The amount of life insurance a buyer may purchase depends upon his present and prospective income," he said. "Price control is income control, and therefore insurance control. By very definition economists have long considered wages as the price paid for labor, but wages are also income, hence price control is in final analysis wage control. By definition interest is the price paid for the use of capital, and price control involves the control of that source of personal income. Furthermore, rent is the price paid for the use of land, and price control most obviously controls that form of income. Price control is also profit control, which is most blatantly the actual purpose of the legislation."

Dr. Hahne pointed out that if the best interest of life underwriters is to be served, then the government must adopt a policy relating to the stabilization of business, employment and production that in turn will result in stabilized prices.

Social security is a phase of governmental activity not well explained to the public, he declared. The recent agitation for more widespread and inclusive coverage brings this problem into the limelight.

"Whenever the American citizens who have been paying the social security taxes realize," he said, "that the funds they have been paying to the United States Treasury have not been set aside for unemployment for the time they are unemployed, nor has the money paid in to secure old-age benefits actually been set aside to pay their old-age benefits, but both monies have been used to help finance the costs of World War II, and that in the future they must pay additional taxes in order to pay themselves social security benefits, they may begin to ponder—how secure was social security? They should be told that the bonds held as security reserves are paper funds of the Treasury, not money, but promises to pay money which must henceforth be raised by taxation. Unemployment insurance and old-age pensions as well as other social security payments to be paid out by the Treasury in any realistic sense are not types of sound financing such as that used by the actuarially determined practices in the life underwriting business. Suppose the time comes when there is a prolonged postwar depression and the 58,000,000 employed as workers at the all-time high employment peak ask for claims when there is little or no income to tax, and the only other source of funds becomes commodity taxes, such as sales taxes, so that the very persons who have already paid social security taxes will again be taxed on the goods they consume in order to pay their social security benefits. Social insurance, according to some reasonably reliable calculations, may become an annual public charge of almost \$20,000,000,000 per year."

Earl W. Sapp of New England Mutual Dies

Earl W. Sapp, manager of New England Mutual Life at Washington, died at suburban Bethesda, Md., naval hospital. He had been in poor health some time, but was stricken with his last illness at his summer home in Sherwood Forest, Md., recently. Before becoming Washington manager 17 years ago, Mr. Sapp had been in the insurance business in Baltimore. He had been until recently president of the District of Columbia Life Underwriters Association, and was a member of a number of clubs and civic organizations.

A New Jersey by birth, he attended Princeton University and served in the navy in world war I. Surviving are his wife, daughter, son and sister.

Funeral services were Thursday afternoon, followed by burial in Arlington National Cemetery.

Connell Honored at Provident Mutual Dinner

National Association President Clancy D. Connell was honored by his company at a dinner given for him Wednesday evening. Mr. Connell, who has been general agent of the Provident Mutual in New York City for nearly 30 years, was presented a leather-bound dictionary by Willard K. Wise, vice president in charge of agencies. Others from the home office who were there were M. Albert Linton, president; Nelson A. White, C. Sumner Davis, and Walter D. Cross, assistant

managers of agencies.

J. R. Davis, Cleveland general agent, who introduced the guests, remarked that three Provident Mutual men have served as president of the National association. The two in addition to Mr. Connell were Graham C. Wells, New York city and C. Vivian Anderson, Cincinnati.

Other prominent guests in attendance at the dinner were: James E. Rutherford, executive vice president N. A. L. U.; E. J. Schmuck, general counsel and Wilfrid Jones, editor of "Life Assn. News"; Dave E. Satterfield, executive director and general counsel Life Insurance Asso-

ciation of America, and Charles J. Zimmerman, L. I. A. M. A.

Union Central Party A Hit

Union Central held one of their famous "family parties" in the form of a dinner, attended by more than 100 field representatives and presided over by W. F. Hanselman, vice president and superintendent of agencies at the Statler.

Robert H. Jamison, Cleveland attorney and director of Union Central, H. P. Winter, assistant vice president, and C. W. Ferguson, assistant superintendent of agencies represented the home office.

Some of Our Recent Advertisements IN LEADING INSURANCE JOURNALS

The Commonwealth Commentary

A TRUE PERSPECTIVE
It is no longer a question of "Are we going to have inflation?" but rather "What are we going to do about the inflation we already have?"
Too often, many of us in our thinking refuse to accept the facts in their true perspective. Many of us are failing even now to realize that prosperity can easily be the pretty name given the ugly fact of inflation—we are joyful over our increased incomes instead of being sad over the loss of our buying power. Life insurance, short of total inflation against the individual investor one of the few safe means, and in some instances the only practical way, of hedging against the effects of a moderate inflation.
It is the duty of every life fieldman, in the interest of the industry's public service commitment, to bring home to policyowners, future and present, the necessity of buying life insurance in amounts equivalent to the degree of present depreciation, as a means of checking monetary devaluation.
Insurance in Force, April 30, 1946—
\$279,508,652

WEALTH LIFE INSURANCE COMPANY
MORTON BOYD, President
BUILDING QUALITY VOLUME

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE
WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

FIGURES CAN BE EXCITING
Do you know which are the most exciting of all the figures in your rate-book? This, of course, is a matter of opinion. Yet there are many who believe that by far the most magical are those which relate to paid-up values. A thorough understanding of paid-up values will strengthen your convictions about your enthusiasm, and will greatly increase your ability to answer the prospect who asks, "What if I must quit?"
All of us know the single premium policy to be a superlatively fine investment—but many of us fail to realize that by the same token the reduced paid-up values in every life insurance policy we sell also constitute superlatively fine investments, for they are single premium policies purchased at net rates.
Insurance in Force, May 31, 1946—
\$283,357,012

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE
WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

A RESTATEMENT OF POLICY
As the country settles down more calmly into the peacetime life and the returned veteran becomes more a present-day citizen than a soldier-of-yesterday, we think that a reevaluation of our views on National Service Life Insurance gains additional value in the present calmer atmosphere. Our considered opinions of NSLI, expressed before and here repeated, are these:
THAT NATIONAL SERVICE LIFE INSURANCE IS GOOD LIFE INSURANCE, representing a better money's worth to the policyholder than can be offered by any private insurance company, since it is insurance at net rates.
THAT THE VETERAN WILL SERVE HIS OWN INTERESTS BEST IN PRACTICALLY ALL INSTANCES BY KEEPING AND CONVERTING ALL OR PART OF HIS NSLI.
In the light of these estimates of the worth of NSLI we continue to urge our underwriters to counsel all former servicemen to retain their service life insurance, making use of the liberal reinstatement provisions if it has lapsed, and to build their life insurance estates around this excellent cornerstone.
Insurance in Force, June 30, 1946—
\$287,534,545

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE
WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

INCOME RINGS THE BELL
There are two kinds of income—and only two: one stems from a man at work and the other from dollars at work.
If you can bring your client to see this solid fact, he must automatically arrive at the conclusion that when his earning power is wiped out or impaired, he must be destroyed financially. And you carry and the prospect must be ready and waiting to type of income—his life must perfect answer to this question: "What income when it is needed?"
This idea of income is fast replacing the old ideal of piled-up money and is going to be the thinking of the underwriter. His merchandise is of a nature to guide his conception of life insurance as an income-producing plan, more truly than is any other type of investment.
Your prospect will build his conception of life insurance as you guide him. If YOUR conception is of a nature to match his conscious or subconscious goal, your story will take concrete form as an application in your pocket.
Insurance in Force, May 31, 1946—
\$283,357,012

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE
WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

COMMONWEALTH
LIFE INSURANCE COMPANY
Home Office: LOUISVILLE MORTON BOYD, President

THE FRASER AGENCYConnecticut Mutual Life Insurance Co.
Hartford, Conn.JOHN M. FRASER, *General Agent*

Main Office

149 Broadway *Barclay 7-9300*

Uptown Office

1440 Broadway *Longacre 5-6990*
New York**OSBORNE BETHEA***General Agent*

The Penn Mutual Life Insurance Co.

50 Church Street

New York City

KRUEGER & DAVIDSON
AGENCYTHE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY386 Fourth Avenue
New YorkHarry Krueger, C.L.U. *Walter S. Davidson*
*General Agents***JAMES G. RANNI**

Manhattan Life Insurance Co.

*General Agent*521 Fifth Avenue *New York***THE CHARLES B. KNIGHT
AGENCY, INC.***General Manager*The Union Central Life Insurance
Company225 Broadway *New York, N. Y.*WALTER E. BARTON, *Pres.*
PAUL S. RANCK, *Vice-Pres.-Treas.***H. ARTHUR SCHMIDT
AGENCY**

NEW ENGLAND MUTUAL


217 Broadway

New York

*COrtland 7-3870***CLANCY D. CONNELL**Provident Mutual Life Insurance
Company99 John Street *New York**COrtland 7-4790***MEYER M.
GOLDSTEIN, C. L. U.**The Connecticut Mutual Life Insurance
Company of Hartford

527 5th Avenue

New York



Greetings
TO THE
NATIONAL ASSOCIATION
of LIFE UNDERWRITERS
from NEW YORK
GENERAL AGENTS and MANAGERS

The Mutual Life Insurance
ARTHUR J. DUNN135 Broadway
New York
666

AETNA LIFE INSURANCE COMPANY

O. A. KREBS*
General Agent

151 William Street, New York
REctor 2-7900

MANUEL CAMPS, JR.

General Agent

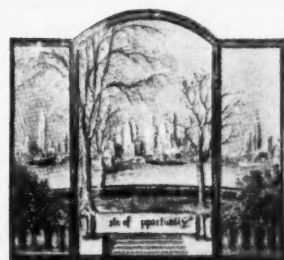
John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Suite 601, 110 E. 42nd St., New York
MURray Hill 3-8260

DOWNTOWN AGENCY

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Home Office—Newark, N. J.
GERALD A. EUBANK, Manager
40th Floor—40 Wall Street
New York



Clifford
L.
McMillen

General
Agent

K. A. LUTHER & CO.

General Agents

K. LUTHER

L. W. SECHTMAN

Aetna Life Insurance Company
Lincoln Building 60 East 42nd Street
New York
MURray Hill 2-0200

THE JULIUS M. EISENDRAETH AGENCY

The Guardian Life Insurance Co.
1800 Empire State Building
New York 1

CHickering 4-4400

THE C. PRESTON DAWSON AGENCY

New England Mutual
527 5th Avenue
New York
MURray Hill 3-1460

THE BEARDSLEE AGENCY

Columbian National Life Insurance Co.
LESTER E. BEARDSLEE, JR., General Agent

45 John Street
New York

BEekman 3-4424



A. J. JOHANNSEN AND ASSOCIATES
NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY
74 Trinity Place, New York

Mutual Be...
THUR...
New York City
351 Broad...
1966

Representation Big Problem for N. A. L. U.

It is obvious to all of those who have a thorough understanding of the operations and activities of the N.A.L.U. that one of the pressing problems of the organization is going to be that of finding each year a group of capable, representative field men to serve in official positions. The National association's total membership has passed the 46,000 mark and is heading steadily toward 50,000. Most of the members are, of course, agents and not managers or general agents. The larger the membership becomes, the greater will be the proportion of agents comprising its total.

The National association is essentially a field man's organization. All of its activities are keyed to the idea of benefiting the man on the street, giving him ideas and facilities that will enable him to improve his production and hence his earnings.

Because it is the agents organization, it is conceded that the natural choice for president of the National association would be a typical, representative agent.

However, it has been found in the past that there are few average or street agents who can afford either the time or the money to serve as president of the organization. Aside from the load that

has to be carried when the presidency actually is reached, it must be preceded, under the plan that is now in vogue, by at least two or three years as a trustee and service for two years more as secretary and vice-president successively. The trustees now are expected to spend at least 10 days to two weeks in the field every year, and the work of the higher officers is perhaps even a little heavier.

Agent Can't Afford Time

In other years those heading the organization in most cases have been general agents, able to take the required amount of time for the work of the association because in many instances they have been able to turn over the handling of their own offices to capable assistants. It is not possible for the man in the field to delegate any of his work. Any time that he devotes to anything but actual sales work is in effect just so much time and money lost. His income is the result of as many personal interviews as possible and if days and weeks during any year have to be devoted to association affairs the income of the field man serving as a national officer suffers accordingly.

An important set step toward the solution of this problem will have been taken if the membership of the N.A.L.U. votes favorably on the proposition which the trustees have decided to submit to it for final action, under which an expense allowance would be made to the trustees by the National association for travel and other expenses in connection with attend-

ance at state conferences and of other official business. The desirability of having a much greater representation of personal producers on the official roster of the national body is being given steadily increased attention, particularly at the present meeting, but apparently some action on the financial side will be a prerequisite to making any plan for such wider participation really effective.

Blind Agent in Cleveland Has Excellent Sales Record

Few personal producers face obstacles equaling those met daily by Mitchell Darling, blind agent for New York Life in Lakewood, O. He is a successful producer despite his lack of sight.

In 1924 Mr. Darling lost his vision while suffering from diphtheria. Although young, he was filled with ambition and so forced through an educational program which ultimately brought him a degree in education from Miami University and a master's degree in education from Ohio State University. When he graduated from Miami in 1938 Mr. Darling was designated one of the ten outstanding seniors of his class.

Following graduation from Ohio State in 1939, he toured Ohio, speaking on vocational opportunities at high schools, churches and young men's organizations.

In October he joined New York Life as an agent in Lakewood. In the first month he was with the company he produced more than \$20,000, a mark he has kept as his minimum goal ever since. Mr. Darling has qualified for the NYLIC "One" Club every year he has been with the company, which means that his production each year has exceeded \$100,000.

The 33-year-old producer uses the telephone nearly 100% of the time. His typical day includes a morning session of reading, an hour or so of telephone prospecting, more telephone prospecting in the afternoon, and personal interviews in the evenings arranged during the day by telephone. On his interviews he is guided from prospect to prospect by "Kati," his seeing-eye dog. Mr. Darling jokingly says Kati is getting to know almost as much about personal production as he does.

An active member of the Cleveland association, Mr. Darling is president of the Lakewood Junior Chamber of Commerce, a member of the board of directors of the Lakewood Y.M.C.A., a director of the Lakewood Community Chest, and is constantly in demand as a speaker at various civic group and education meetings.

He has devoted much of his time to helping others who are handicapped. He gets many letters from sightless war veterans who are desirous of entering insurance. He faithfully answers their letters, giving advice, suggestions on getting started, and excerpts from his own experience as encouragement.

This fall he is invited to appear before the department of welfare, State of Ohio, to give his suggestions on how to advise other sightless persons in Ohio who want to become life insurance producers. Late this month Mr. Darling will go to Columbus to attend a meeting of the State of Ohio Junior Chamber of Commerce, and his busy schedule also includes attending the NYLIC "One Club" meeting at French Lick this month. In October he will address the Akron, O., association on "The Rates Are at My Fingertips."

Mr. Darling, who is neat in appearance and has a pleasing voice, says he has learned practically everything he knows about insurance from talking with successful producers. He is utterly dependent upon memory for his prospecting discussion, approach, and close.

Along this line Mr. Darling said that he follows the rather unique practice of letting his prospect, once sold, do all the pencil work. The prospect gets information and rates which Mr. Darling quotes to him from a Braille rate book. This plan not only facilitates his selling,



Carlton W. Cox, Metropolitan Life, Paterson, N. J., N.A.L.U. trustee, bending an ear to the conversation at hand.

but Mr. Darling is convinced that it gives the prospect a very "real feeling" about his policy and the satisfaction of knowing precisely what he is getting for his money.

Winner of the N.A.L.U. certificate award for non-lapsing production in 1945, he is a firm believer in what he calls the "natural prospect" or the people he normally comes in contact through extension of his circle of friends and acquaintances. His whole philosophy of production is that of gradually building a solid clientele, resplendent with circles of influence which will in turn gradually boost his production, rather than striking hard for the sensational production. He develops leads carefully, and by taking time and by using patience turns seemingly poor prospects into good business.



No personal insurance program is complete without DISABILITY COVERAGE

Your policyholders are good prospects. Complete their personal insurance programs by pointing out to them the importance of adding benefits for time lost because of sickness or accident. You'll find them keenly aware of their need for cash indemnity in case of temporary or permanent disability. Any of our offices (in all principal cities of the United States, Canada, Alaska and Hawaii) will show policies which pay from one day to a lifetime, issued by the largest exclusive health and accident company in the world.

Assets Over \$49,000,000
Surplus Over \$18,000,000
Income in 1945 Over \$50,000,000



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It is, we believe, a company whose financial structure is sound . . . Whose geographical market embraces a balance of metropolitan, town and rural areas . . . Whose Head Office is advantageously located with respect to prompt service to policyholders and agents . . . Whose policy contracts include all fundamental coverages . . .

It is a company whose contributions to its industry have been recognized as outstanding . . . Whose growth has been steady and uniform . . . Whose size is sufficiently large to assure confidence and prestige . . . Whose management, nevertheless, has never lost the common touch with agent and policyholder . . . and whose reputation as a friendly company has been consistently upheld.

Fidelity is such a company. It operates with general agencies in thirty-six states. It has been "Faithfully serving insurers since 1878."

THE FIDELITY MUTUAL LIFE INSURANCE COMPANY

The Parkway at Fairmount Avenue
PHILADELPHIA
E. A. ROBERTS, President

Definite Prospecting Told By White

(Continued from page 7)

After this list is completed, I go to these people with this story:

"Bill, I'm faced with a problem, and I think you can help me. If you have a few minutes, I'd like to tell you what I have in mind."

"Problem" Idea Disarms Friend

The fact that he is going to his friend with a problem seems to disarm him, and he immediately tells Mr. White: "Why sure, Fred, I will be glad to help you in any way I can."

"Well, Bill, you see, about once in every two months, I send in about 100 names to my home office for advertising purposes. The company then sends a letter to each man advertising various kinds of life insurance. Right now, I am making up another list. Don't be alarmed. I'm not going to ask you for 100 names on a new list, but I thought you might know of two or three good friends of yours in the engineering department who should be included. By the way, this letter comes directly from Hartford. There is a reply card addressed back to Hartford. So, you see, your friends won't need to know that you had anything to do with suggesting their names to me."

By this time the "center of influence" is well on the way towards suggesting people for him to see. After getting several well-qualified leads, he leaves with this:

"Thanks a lot, Bill. I'll let you know how I get along with these people. By the way, if one of these fellows happens to reply, and then I call on him and he seems rather interested, would you have any objection to my telling him that you are a policyholder and a friend of mine?"

"Tell Him Anything You Want"

Usually he will say, "Why no, Fred. You go ahead and tell him anything you want to. You have done a good job for me, and I am mighty glad to do anything I can to help you along. Besides, I realize I may be doing as much for my friend as I am for you."

Mr. White always respects the wishes of those who give him leads. "I never use their names in contacting a man if they tell me not to, and I always report back to my center of influence and let him know how I get along. If I have been quite successful on some of the leads he gave me, I will sometimes give him a key case, memo pad, pencil or some other appropriate award for his willingness to help me."

Replies and Non-Replies

In following up his mailings, Mr. White calls on the repliers first, phoning them for an appointment, which usually is secured without difficulty, and then the non-repliers. He says that it is very easy to waste too much time on this latter class and he has worked out a system which quite largely avoids that situation. If the repliers from among the names suggested by John Jones prove to be good prospects, then he also calls on the non-repliers who were given to him by the same man. He feels that if the repliers this man suggested prove to be good prospects, the chances are nine out of 10 that the non-repliers would be equally good. On the other hand, if he gets no replies at all from a group of names given to him by Jim Smith, then he doesn't call on any of the men on that list.

Phones Prospect for Appointment

In following up these non-repliers, he writes a note to the prospect: "Would appreciate the courtesy of a brief interview with you. Will phone you for an appointment as I know you are busy." With this note he encloses a small cir-

cular. A couple of days after sending this note, he phones the prospect for an appointment. "Usually I try to keep my telephone conversation as simple as possible, never giving out any information over the phone regarding the plan of insurance I want to discuss with him, but merely continue to push for an appointment." The usual conversation is about as follows: "Mr. Jones, this is Fred White of Connecticut Mutual. Did you receive my note? That's fine. I am wondering if it would be better for us to get together at your office or mine? All right, I'll call at your office. Would the latter part of this week, or the first of next be best? Monday—fine—would

you prefer to see me in the morning or the afternoon? Would the early part of the morning or the latter part of the morning be best?"

Make It Hard to Say "No"

Mr. White tries to frame his questions in such a way that it is very difficult for the prospect to say "No." It is usually necessary for him to make a statement. For example, if he wants the call made at his office some morning, "Will it be best to see you the early part of the morning or the latter part?" Sometimes he'll say that he isn't the least bit interested in discussing life insurance. The usual reply to this is: "Of course, Mr. Jones, I have no reason to believe you

are ready to buy some life insurance, but I think I have an idea that will be of real interest to you, and I would like to tell you about it. Is it better to see you at your office or at mine?"

"Occasionally I might state that I just recently arranged Jim Smith's insurance similar to the plan I have for myself and we were able to increase the value of his present insurance almost 20% at no cost to himself; also adding that I thought he would like to know the type of work I am doing, then asking: 'Is it usually better to see you some morning, or would you prefer I see you some time in the afternoon?'"

"When I am currently calling on someone, I literally besiege him with



EQUAL in degree to the careful screening Continental American carries on in the selection of new Field Representatives, is the emphasis we place on thorough training.

We must have Representatives who can meet and sell the preferred class of buyers—the ones who buy the larger amounts. We therefore have developed a practically organized training program that assures the new man with well rounded competence, every chance of success. When he goes out to sell he is *equipped* to sell!

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All of this shows why Continental American's field men are outstandingly successful.

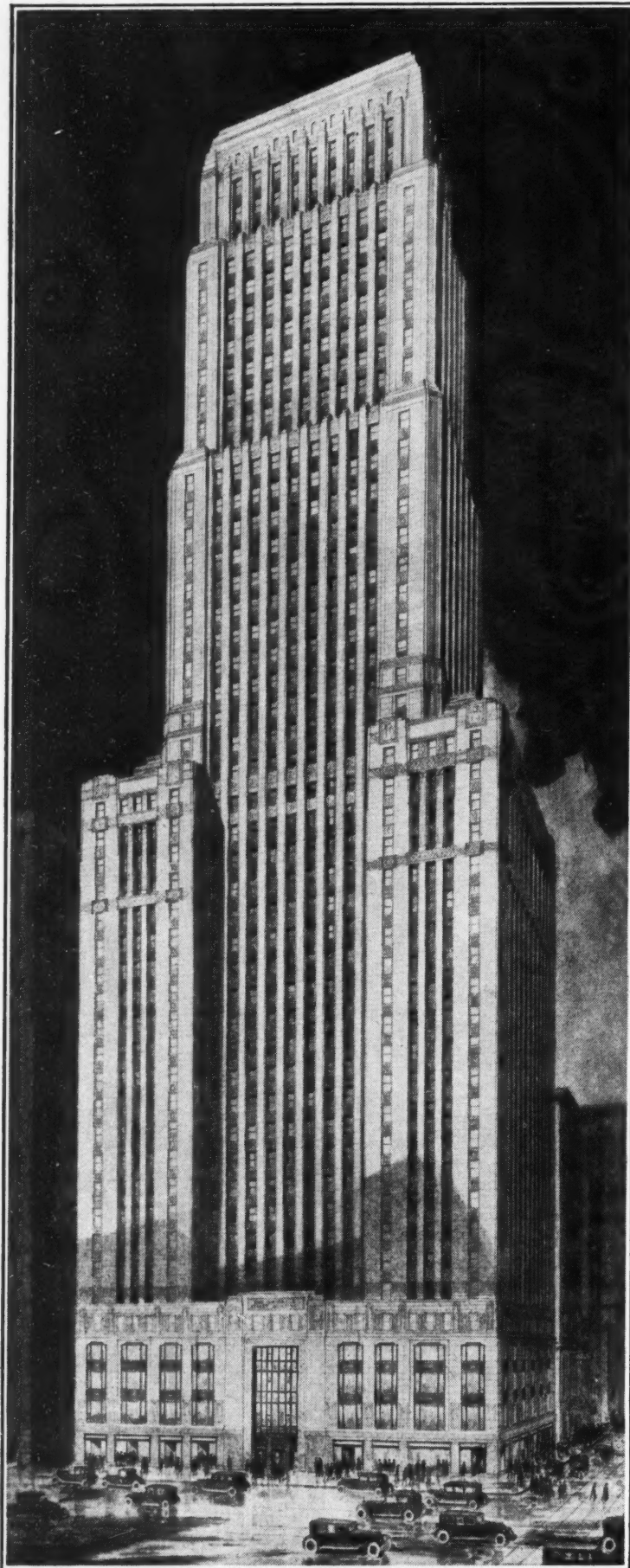
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Underwriters here say we're a good outfit to live with and many out-of-towners say we're a good gang to work with . . . so let's get together on those people who used to live where you live and now live where we live. We're sure we can work out an arrangement profitable to all of us!

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*An Agency Especially Equipped to Educate
and Develop Steady Producers*

mailing pieces, until the case is completely closed. After my first interview, I write him a note similar to this: 'Mr. Jones: Just thought you would appreciate receiving this brief history of Connecticut Mutual. Thanks again for the courtesies you have extended to me. Will see you next Tuesday at 10 as I promised.'

"I have averaged, for the last three years, \$270,000 of business per year from repliers alone. So, you can see why I'm quite enthused about this whole system."

In reviewing why this system makes him work, Mr. White said: "First, I send in from 10 to 15 names a week to my home office for direct mail. That means I am forced to ask people for leads. I must secure at least 10 good names per week. Second, replies come in and I am immediately inspired to call them for appointments. Third, I get after the non-repliers, write them a note for an appointment, which means I must phone them. Fourth, after making an appointment by phone, I naturally keep the appointment."

Obligated for Future

"I find this system makes me obligate myself in the future, and I find myself making calls, and ultimately writing business whether it rains or shines, and whether I feel like working or not. In

fact, most of the time I feel like working, because I have my work cut out for me, and always have plenty of interesting places to go."

Mr. White said he always has about 10 people who are ready to buy, and who want to see him at night. Now these are delayed until they can get together during the day. He found that when he explained the situation, they were quite willing to cooperate in seeing him during the day. This has greatly increased his prestige and he always has a good backlog of business to close. "Formerly I would get together with these people as quickly as possible, and actually burn myself out. Then I would go a few weeks without writing any business, because I had neglected to open new cases. I haven't had that burned out feeling any time this year, and I always feel like working."

Mr. White mentioned another prospecting plan he learned about at one of the meetings of the Buffalo association. Frank McFarlane, a million dollar producer in Cleveland, the speaker, mentioned a form that he was sending to his main centers of influence, requesting that they send him the name of a prospective buyer.

After getting as much information from him as possible, Mr. White made up a list of 40 of his best program cli-

ents. Then, he called on them and explained that soon he would be sending a form which would request that they send the name of one person whom they thought would be good.

"I mentioned to each center of influence that I already have between 250 and 300 people whom I would consider as clients, and that I am interested in building up this group to about 500. I further explained that I wanted his name on this list because being a good client himself, he would be in a position to know the type of person with whom I prefer to do business."

He decided to send out cards once every two months and divided the list of 40 people so that 20 would receive a card one month and the other 20 would hear the next. For the first seven months that this plan has been in effect, he has received an average of 9½ leads per month.

"Several interesting things have occurred since I started this plan," he said. "In the first place, I notice that each one of these people receiving a card has become much more conscious of the importance of furnishing me with good leads. One evening at a social gathering, one of these men pulled me off to one side and asked me how the idea was working."

capacity as a clearing house for suggestions and complaints, to aid in establishing as far as may be practicable a country-wide recognition of principles of cooperation between the bar and life underwriters, and to aid in the setting up of similar conference groups in the various states and localities. Its purpose shall be to use its best efforts to eliminate as far as possible misunderstandings and causes for complaint by either the bar against life underwriters, or vice versa, in relation to any practices which appear to be against the public interest.

That the national conference shall seek, by appropriate cooperative methods, to implement and have carried into effect the statement of principles of cooperation between life underwriters and lawyers issued in March, 1940, by the National Assn. of Life Underwriters and the American Bar Association's standing committee on unauthorized practice of law, and in line with the principles therein set forth, may, from time to time, issue such further statements of principles as may be agreed upon, which are deemed in the public interest, and in the interest of life underwriters and lawyers, and which are approved by the board of governors, or the House of Delegates of the American Bar Assn., and the board of trustees of the National Assn. of Life Underwriters.

May Consider Controversies

That the national conference may consider any controversies referred to it between life underwriters and lawyers, and shall seek to settle and dispose of same, and shall, in appropriate cases, seek to be of assistance, when requested so to do, in an advisory capacity to state and local bar associations and associations of life underwriters, for the amicable and cooperative solution of disputes or misunderstandings. The national conference shall have authority, in appropriate case, to forward complaints, where they apply to lawyers, to state and local bar associations, or in the case of life underwriters, to state and local associations of life underwriters.

That no act or thing done by the national conference shall be deemed binding upon the American Bar Assn. or the National Assn. of Life Underwriters unless ratified and approved by the governing body of the respective associations.

The 31st wedding anniversary of President Clancy D. Connell took place last Sunday, while he was in Cleveland for the convention preliminaries. Not only the date but the city was significant for him, for the wedding took place in Cleveland. Mrs. Connell was not at the convention but Mr. Connell reached her by phone at home on the anniversary date.

Adopt Plan for National Agent-Lawyer Council

A resolution authorizing the setting up of a national conference of lawyers and life agents was passed by the national council at the Tuesday session.

The resolution was presented by George Lackey, Massachusetts Mutual, Detroit, and reads as follows:

"Be it resolved, that there be formed a national conference of lawyers and life underwriters, to consist of five representatives of the American Bar Association, and five representatives of the National Assn. of Life Underwriters; that the representatives of each association be appointed by the president thereof; and that the term of office of each person appointed to said national conference shall be one year, or until his successor shall be appointed.

Not a Substitute

That the national conference shall not assume in any manner to override or substitute itself for local bar associations and local associations of life underwriters, but it may act in an advisory



"I have only one man now...

a very young man... just five years old. Taking Daddy's place is a pretty big job, but he will do it in the years to come. For through Life Insurance, John preserved for us our heritage of Liberty, that is America. His faith is our faith. His strength, our strength.

Just a few pews away sits Bill Brown, the man

who wrote our Insurance. He knows how near we came to losing this heritage. The times when the load seemed almost too much for us to carry. Those were the times he counseled us, encouraged us, worked with us. Yes, our fight has been his fight too. We have no finer friend."

Thus, another medal is bestowed on Bill Brown.

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Mutual Life contingents—E. L. Sitler, Jr., asst. manager, Pittsburgh; A. H. Bennell, Pittsburgh manager; W. Merle Smith, Buffalo manager, and C. J. Frey, manager at Erie, Pa., immediate past president Pennsylvania Association.

Magnificent Success

or

COLOSSAL FAILURE

THE LIFE INSURANCE BUSINESS is once more on trial before the bar of public opinion. We've handled our case magnificently in our last two trials—the depression and the war. What kind of a case are we making for ourselves today when the public is asking:

How honestly do life insurance men advise veterans regarding their National Service Life Insurance?

How carefully do companies select new agents today, choosing only quality men whose performance will be a credit to the business?

How do companies treat the subsidies under the G.I. Bill of Rights, as "gravy" for the company or the general agent, or as true extra compensation to the veteran?

Do companies really train their agents for their increasingly complex job, or do they simply give lip service to the idea of training?

The conduct of our business during the next few critical years will determine the verdict in our current trial. We can achieve magnificent success or colossal failure. And, fortunately, the outcome lies within our own hands.



**THE MUTUAL BENEFIT
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NEWARK, N. J.



WE BELIEVE

1. THAT the interests of policyowners, the public, agents, and the companies, are best served by full-time, *competently trained* career life underwriters.

2. THAT the men and women who devote their full time and talents to life insurance selling should have the opportunity to achieve, in *their profession*, the same degree of financial independence they offer their clientele.

OUR BELIEF IN ACTION!

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- 1. Adequate first commissions with *extra* margins first year.
- 2. Life-time renewals, with *larger amounts* in *second and third policy years*.
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PLUS these EXTRAS:

- + Cash bonuses for App-A-Week, Ten-a-Month, and Leading Producers' Club members with renewal ratios higher than company average.
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- + Group hospitalization free to Leading Producers Club members *and their dependents*.

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Operating in

**Illinois, Iowa, Indiana, Michigan, Nebraska,
Ohio and Tennessee.**

Shattuck Hits Complacency; Urges New National View

Speaking with a combination of practical, hard-boiled sense and philosophy, Mayo Adams Shattuck, Boston insurance attorney, told the N.A.L.U. representation Thursday that it is time that insurance and the public stop thinking so much about capital and labor and begin thinking about "good American citizens," the people who "furnish the steam under the boilers that propel our state."

Mr. Shattuck, with this underlying theme well established, came to his point that it is the question before Congress, "when it comes to examine the effect of federal taxation upon the life insurance of this country," how to adjust the incidence of the tax burden so that a proper and fair part is given to the citizens of the United States to protect themselves against adverse economic conditions, and "yet not to give an undue advantage to persons who already have large economic power."

He said that he was disturbed by the way in which the citizens have been most unrealistic and shortsighted as proprietors of a great nation in failing to urge good young citizens to get ready to do their own parts, and a little more, for the common good. He said we have forgotten what made us strong as a nation, and have not been keeping in mind that in a society of free men the good, strong citizens are not to be neglected and forgotten without peril to the entire national establishment.

"I could, on the basis of precedent, urge upon you, as the life underwriters of this restlessly progressive nation, a searching process of self analysis and the construction therefrom of numerous sweeping resolves to do better. But I do not intend to do any such ambitious thing. At least one good reason restrains me—a reason, which has not always restrained speakers: my opinion upon so broad a subject would be recognized by everyone as having been evolved unhampered by any considerable knowledge of what I was talking about."

No Knowledge of Topic

"I do have some knowledge, however, about the topic upon which I have chosen to address you, a topic that has lain rather closely within my area of personal activity through now more than twenty-five years of

law practice; a topic upon which much has been said in the past and upon which, I hope, much more may be said in the future, for it directly involves, as I see it, the underlying social policy of this Republic and it is directly concerned, therefore, with the individual welfare of millions of our most valuable citizens. It is the topic of our national policy of taxation as it relates to policies of life insurance and its proceeds.

"Sometime, before long, our political representatives in Washington must address themselves to the staggering task of examining and correcting the whole diverse body of our laws and regulations and decisions relating to the taxation of incomes, gifts and estates. You must be ready to take your personal part in that process in this free country, for your testimony and advice will be needed, and while everything you have to say will fairly be regarded as impelled in part by self-interest, you are in duty bound, nevertheless, to have your say. You and the family groups you directly represent constitute a respectable segment of the Republic. Moreover, everything about the constitutional and legislative process of a society of free men must be regarded, in last analysis, as grounded in honest and considerate self-interest, and if those who possess an actual self-interest do not make their viewpoints heard throughout the land they must be regarded as having allowed to go by default their individual rights as national proprietors. That default is the common process by which free societies approach death and synthetic totalitarian regimes are given birth.

"What have you and I learned, in the United States, about the place of life insurance in our social frame work, and what attitude should we adopt in our national system of taxation toward life insurance as a form of property? In the first place, we learn that in 1944 there were slightly over 47,000,000 so-called ordinary policies in force in the United States. This in addition to over 100,000,000 industrial policies and about 41,000 Group policies. A total of nearly 150,000,000 policies in force in this country as of December 31, 1944. All this adds up to \$149,71,406,000 of insurance!

Dollar Values Not Conclusive

"But dollar values are not conclusive. We must consider the makeup of our body politic and try to discover, as best we can, what forces have given our Republic its far famed motive power and intelligent ambition. Why do we have, today, this magnificent nation about us? Who made the United States as it is today—and in whose hands does our future really lie? This fundamental (and controversial) question has, in recent years, been given a variety of answers, most of them altogether too partisan and many positively un-American, so bigoted has been the approach. Thus, the chronically prejudiced Liberty Leaguer would tell you that American capital, unimpeded by Government restriction, has by itself made the Republic; that any interference with free enterprise is a step toward national invalidism, and that never again will we stride forth to conquer until capital as a single determining force has been liberated to resume its wild buckaroo battle in the open field. This is palpably silly. Capital has played its part in serving (and in harming) the Republic, but capital holds no exclusive key to sound prosperity in this or in any other country. So, alas, there are those strident champions of labor who at heart are enamored of the concept of dictatorship of the proletariat. Upon that viewpoint much might be said, and is being said, but history, both ancient and modern, produces only one kind of judgment: dictatorship of any minority group, in a free society, is a patent impossibility both of terms and of fact. We know, therefore, that neither capital alone, nor labor alone as represented by any groupings with which we are familiar in our history, can fairly claim to have

(Continued on page 38)

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AMERICAN UNITED LIFE INSURANCE COMPANY

Established 1877



Indianapolis

Further Help on N. S. L. I. Pledged

(Continued from page 16)

are demanding in all we do.

"There's an old saying that you and I have heard many times.

"What you don't know, won't hurt you. In insurance that's not true. Not knowing about insurance does hurt. It hurts veterans. And the ones most hurt if the veteran is not properly insured are his dependents.

"Veterans must be told how they may benefit by GI insurance. Through every possible channel of information—until they know enough to make an intelligent choice. This is largely a job for you—through national advertising, local advertising, and daily direct contact.

Veterans Have Broader Opportunity

"The National Service Life Insurance Act was materially changed by Congress in the closing days of the last session of the 79th Congress. For veterans it now provides a broader opportunity than ever before. Many veterans, as you know, did not like the idea of monthly payments to their beneficiaries. They wanted lump sum payments. Today a veteran may choose, among other things, either lump sum or equal monthly payments, ranging from 36 to 240 monthly payments, or part of his insurance can be collected in a lump sum, and the balance received in monthly payments as income.

"Lump sum payments, of course, are fine in some cases. But I would not be promoting the best interests of the veteran and his family if I did not point out that very often a life income is much more advantageous and valuable to a beneficiary than a lump sum payment. From now on, however, the choice is strictly up to the veteran himself.

Did Not Like Restrictions

"Many veterans did not like the idea of restrictions on beneficiaries.

"Under the new law a veteran can convert his term insurance into an endowment policy. In addition to other plans of insurance, he has the choice of converting to a 20-year endowment policy, or into endowment at age 60, or at the age of 65.

"Under the old law only servicemen and women while on active duty had the right to apply for G.I. insurance. If a man took out only \$5,000 worth while in the service, he could not raise it to \$10,000 after his discharge or separation.

"The new law provides that if he served between October 8, 1940 and September 2, 1945, and can meet the health requirements, he can increase his insurance up to \$10,000. I would like to say also in the interests of veterans everywhere that conversion from term insurance to permanent insurance need not and should not be unduly hurried. Naturally, as soon as a veteran is financially able to do so, he will be well advised to convert. But in a great many cases it may be far better for him to wait until he is reasonably certain about his present and future business prospects, and has a pretty good idea of his own personal financial setup. He will do better in the long run if he converts his insurance on this basis.

Have Until Oct., 1948

"Every veteran has until October, 1948, at the very least, to convert to a permanent policy, and may have considerably longer than that.

"National Service Life Insurance offers a vast reservoir of protection for veterans and the families of veterans. Unless this opportunity is used to the fullest extent—as Congress intended it should be—the years to come will inevitably bring additional burdens upon the community, the states, and the nation.

"You and I know this to be true. We have worked well together during the past year. I appreciate the help you have given the Veterans Administration. I know that I can count on you during the coming year.

"My personal thanks for that help is not important. Your reward will be thanks of your fellow citizens throughout the nation."

Bradley Praises N. S. L. I. Resolution

"A most forward-looking step," was the way General Omar Bradley characterized the resolution on National Service Life Insurance passed at the board of trustees meeting. This comment was made in answer to questions at a press conference following General Bradley's speech at Thursday's general session. The conference was arranged by Donald F. Barnes, who has charge of veterans' affairs at N.A.L.U. headquarters.

General Bradley said the resolution would bind the agents and their companies into an increasingly helpful program of assistance to the veterans. He was lavish in his praise of what the National association has done.

In answer to a question as to whether, now that regular life policies have no war clauses and there is no difference between N.S.L.I. and regular insurance except cost, the government still had an obligation to provide life insurance for peacetime soldiers, General Bradley said that the only one qualified to speak on that point is the people, making their will known through Congress.

Harold Breining, assistant administrator of VA for insurance, seconded this sentiment.

Besides Mr. Breining, General Bradley was accompanied from Washington by Col. James Andrews, the general's personal representative.

General Bradley was guest at a special luncheon given by the board of trustees Thursday. He was met at the airport by President Clancy D. Connell, H. R. Hill, Life of Virginia, Richmond, and John D. Marsh, former lieutenant colonel and personal affairs officer of the A.A.F., now general agent of Lincoln National Life in Washington.

Adjustment Biggest Problem

At an airport conference, General Bradley said that the "biggest single problem today is adjustment of National Service Life Insurance to the needs and wants of the veterans. Our department is catching up to current correspondence, but there still are nearly 290,000 unidentified letters in our files."

The former European 12th army corps commander said that subsistence allotments for veterans training on the job or attending college may be increased in the near future.

He said that a study on living costs and trends of wages is being conducted by the Veterans Administration, and

that on that basis the study of subsistence allotment increases will be made, and recommendations put into effect.

"There still are some weak spots in the VA program," General Bradley admitted, "but by Jan. 1 they should be ironed out."

He said that the veterans hospitalization program is functioning smoothly, and that some 22% more beds have been added during the past year, and nearly 4,000 doctors now are on V hospital staffs.

"The process of decentralization of the Veterans Administration will continue," the general said, "and that should be an additional factor in expediting veterans' business." He said that it still was early to determine whether "chillers" have been eliminated from VA benefits by recently instituted reforms, but he added that he was certain that substantial progress in that direction was being made.

Harry T. Wright, Equitable Society, Chicago, and Herbert A. Hedges, Equitable Life of Iowa, Kansas City, former N.A.L.U. presidents, were on hand for the election session, in addition to the ex-presidents previously listed.

★
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MILLION DOLLAR ROUND TABLE

We Salute....

 <p>JAMES G. RANNI Qualifying Life Member Million Dollar Round Table</p>	 <p>HERMINE R. KUHN Member, Million Dollar Round Table Renewing, Qualifying Life Member Women's Quarter Million Dollar Round Table</p>	 <p>ELSIE M. MATTHEWS Renewing, Qualifying Life Member Women's Quarter Million Dollar Round Table</p>
 <p>RUTH M. KELLEY Renewing, Qualifying Life Member Women's Quarter Million Dollar Round Table</p>	 <p>MARY LA BELLA Member, Women's Quarter Million Dollar Round Table</p>	 <p>RUTH S. HANAUER Member, Women's Quarter Million Dollar Round Table</p>



**THE MANHATTAN LIFE
INSURANCE COMPANY**
of New York

120 West 57th Street, New York 19, N. Y.

★
★
MILLION DOLLAR ROUND TABLE

270 Attend French Lick Meeting

(Continued from page 6)

Feature speaker was Paul F. Clark, president John Hancock Mutual and first M. D. R. T. chairman. He said the declining interest rate has had a more serious effect upon companies than most realize.

Though the situation is beyond the control of life insurance people, he said that aid could be given the structure through savings in mortality gained through **more careful underwriting** in the field. He advised all agents to also try to save as much as possible in expenses. He called for expansion of group coverages, saying that this was the best way in which to **prove that private enterprise** could provide security to the average man. **He said life insurance** has reached a new prestige level and described much of this to the members of the M. D. R. T.

Harold S. Parsons, Travelers, Los Angeles, vice chairman of the M. D. R. T., introduced the first speaker, Edwin T. Golden, New York Life, San Francisco.

Speaking on simple programming, Mr. Golden cautioned against the over use of options, saying that whereas a while ago no one used options, today the agents are going to the opposite extreme. He said that in dealing with the better types of people, it is best to let the client guide the choice of options based on his knowledge of his wife's personality and his own individual preference. He said the agent should stress that the insured recommend to his wife seeking advice about her life insurance in the event of his death from competent life insurance people rather than from someone in some other field.

Frank B. Falkstein, Prudential, San Antonio, attributed a good portion of his success to constant use of short form analysis. He said that use of the short form is not only economical of time, but provides the agent all the current information he needs about a prospect's insurance, provides perfect file material for future reference and gives confidence to both the agent and his client that whatever suggestions the agent makes are worthy of consideration.

John O. Todd, Northwestern Mutual, Chicago, said that the agent employing a long form analysis must keep it as simple and brief as possible. Mr. Todd said success in employing long form analysis lies in being able to point up



Display of publications of The National Underwriter Co. in the exhibits room at Hotel Statler. In charge, left to right, A. J. Edwards, resident manager Detroit; W. J. Smyth, resident manager New York City; and George C. Roeding, associate manager Cincinnati.

THE RALPH W. HOYER AGENCY

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

Main Office
42 East Gay St., Columbus, Ohio



*Servicing 72 counties
in Ohio, with Branch
Offices in Akron,
Canton, Toledo,
Youngstown*



"There's a John Hancock Contract to Fill Every Need"

hidden problems and sales situations which enough power so that the prospect recognizes the problem and accepts the solution. This calls for brevity to assure attention, simplicity to assure comprehension and standardization to help get over more ground than if every job were unique.

Analysis of Analysis

The first day's session was pointed up by Denis B. Maduro, New York lawyer, who performed an analysis of estate analysis. He said he assumed that those present were interested in selling life insurance and not in being corporate experts, tax men, or finance experts.

Mr. Maduro said it should not be forgotten that estate analysis is primarily an approach to sell life insurance. It is secondarily done to satisfy the confidence and the ego of the underwriter. The purpose of estate analysis is to motivate a client to buy insurance and not to expose his needs. It is Mr. Maduro's theory that motivation and not needs are what make men buy insurance. The insurance must be sold without delay, just as soon as the motivation occurs and before it wears away. A lengthy report can spoil this motivation.

To make use of estate analysis, the agent must appeal to the individual's emotions of love, fear, greed. He said that no amount of analysis changes life insurance functions and values, but it may merely expose the relative value of life insurance in respect to other property.

Mr. Maduro said that in making analysis for his own clients he makes two forms. The one which he keeps for himself is complete and intellectual. The second analysis is for the client and is completely emotional, because the appeal to the emotions is the only way that the idea can be gotten across to the average man.

Friday's Session

Paul H. Dunnavan, Canada Life, Minneapolis, executive committeeman, presided at the Friday morning session.

Harry R. Schultz, Mutual Life, Chicago, told his hearers that as long as partnerships remain unconverted to corporations there still will be a fine market for partnership life insurance. He added that too many agents overlook the market resulting from the fact that partners are invaluable to each other and that key man insurance is usually sold in connection with a liquidation agreement.

John J. Kellam, National Life of Vermont, New Canaan, Conn., said, in con-

nection with retirement of stock plans, that among the compensations for the considerable work involved is the fact that the agent invariably works into an estate planning job for other stockholders. This extra work may not mean additional insurance immediately, but continues to bring in business from work in the past years.

Key Man Cover

David B. Fluegelman, Northwestern Mutual, New York City, declared that the numerous reasons for the use of key man insurance indicate the need for greater education, not only among agents, but among prospects, so that they will become fully aware of the advantages of this cover and the dangers inherent in failure to properly protect themselves. He said there has been an evolution in the thinking of agents and customers who have become increasingly conscious of the concept of a replacement of the economic life value of a man. Many businessmen now recognize the value of their key employees or are just coming to do so. This means the field is still wide open, he said.

Friday afternoon was devoted to informal meetings and to several sports tournaments. In the evening, a buffet supper was provided out of M. D. R. T. funds.

Saturday morning's session was presided over by Paul W. Cook, Mutual Benefit, Chicago, executive committeeman. First speech was made by David Marks, Jr., New England Mutual, New York City, who said that in soliciting pension trusts many underwriters find themselves bogged down in endless conferences concerning details about plans which should only be discussed after the corporation has indicated its willingness to install one. He said that in many instances had the whole situation been more carefully surveyed at the beginning, it would have been obvious that no business would result.

He told the millionaires that it must be understood that pension trusts are not a cure-all to be purchased by every corporation. While pensions have a definite appeal, there are places where, because of the insecurity of business conditions or for other reasons, a profitsharing plan or some other type of employee welfare program would be more suitable.

Profit Sharing

Martin I. Scott, Equitable Life, Los Angeles, said that profitsharing has come to stay and that in order to operate business with integrity, the agents must

have the initiative and imagination to implant in the minds of his clients the philosophy of long term planning as applied to profit sharing. He said the primary reason for the adoption of these plans is a social consciousness on the part of management and a realization that creation of a proper plan is good business procedure. By rendering this service, the underwriter places himself in a position to be further compensated through the investment of profit sharing funds in life insurance in favor of the trust on the lives of executives of the business and in ordinary life policies for a portion of the employee's first year account with a provision in the policy for conversion to retirement income at retirement age. Further compensation comes from retirement income policies or annuities on the lives of the participants; single premium annuities, group annuities and in an immediate group annuity contract to be used at retirement.

M. Lee Alberts, Equitable Society, Chicago, said that agents have a group market before them that is better than ever before. Aside from the benefits on group sales, he said there is an opportunity to secure applications for ordinary insurance in companies that have become group patrons. Mr. Alberts traced the growth of group insurance from its beginning 34 years ago.

In his comments on the previous two sessions, Mr. Maduro pointed out that the big motive in most business insurance is that each man in a corporation or partnership thinks he is going to be a survivor and thus he is prompted by greed. Secondly, each individual wants to make sure that the family of the deceased will be forced to sell him the stock of the survivor at an agreed price. He spoke of dividend insurance which he characterized as key man insurance in reverse, pointing out the case where a wife insured the life of a surviving partner for 20 years to insure herself of dividends from the business.

On Saturday afternoon, the business session was held at which one of the formal reports were made, because of time. It was pointed out that all of them will be in the proceedings of the convention. Acting chairman Parsons paid tribute to Walter Hiller, Penn Mutual, Chicago, for arrangements made for the "Echoes of the Million Dollar Round Table" session at the N. A. L. U. convention at Cleveland. In the absence of Mr. Clayton, who had been called home in mid-meeting by the illness of his wife, Alfred J. Ostheimer, III, Northwestern Mutual, Philadelphia, 1944 chairman, presented a plaque of silver which the M. D. R. T. has had made for Mr. Behr.

Nominating Report

The report of the nominating committee was made and approved by moving Mr. Parson in the chairmanship, Mr. Donnavan to vice chairman and Mr. Cook to senior committeeman. As retiring chairman, Mr. Behr is automatically a member of the executive committee. Started on his way up to top position was Theodore Widing, Provident Mutual, Philadelphia, who became a member of the executive committee. Committee chairman named are program, Dunnavan; entertainment, Widing; registration, Cook; recreation, Parsons; by-laws, Ostheimer.

Sunday evening the millionaires were guests of Equitable Society at a cocktail party followed by dinner. At the dinner, Mr. Wright introduced from the Equitable home office Thomas I. Parkinson, president; Vincent S. Welch, vice-president, A. B. Dalager and S. A. Burgess, second vicepresidents.

Mr. Parkinson, paid tribute to Lou Behr as everything a good life insurance man should be. He told the millionaires that they help all agents by offering them examples for them to shoot at. He said that the only way left today for a prospect to enter the millionaire class is through life insurance. Mr. Parkinson said the individual agent has nothing

to worry about in connection with the Cuertin legislation which he said was virtually certain to pass New York in the next legislative session. He said the new tables of mortality and non-forfeiture will not alter costs. It was his prediction that the interest rate, having little room in which to move downward, will probably start going upward.

As the formal meeting closed, many of those present planned to board a special train for the Cleveland convention.

It was announced that next year's convention will be held at the New Ocean House, Swampscott, Mass., and will close one day prior to the N. A. L. U. annual meeting.

Much of the unofficial discussion at the Million Dollar Round Table meeting centered around an anonymous proposal that members of the Million Dollar Round Table form an insurance company of their own in which they would place their excess business. Pushed by some eloquent and extremely sincere proponents the proposal made considerable headway and toward the close of the convention it was reported that about 100 of those present were tentatively in favor of it. An unofficial committee has been formed to draw up further plans.

Among the names proposed for the new company, that of Producers' Mutual

was the favorite. The prospectus calls for a minimum of 200 members to contribute \$5,000 apiece to put the company on its feet. Many felt they could guarantee about \$250,000 of select business yearly to this company which would be mutual in form.

The millionaires propose to have commissions of the company low, but with life time renewals. This would enable them to spread their earnings over the years and avoid excessive income taxes. Most of them are in an income tax bracket which at present renders further current earnings on their part superfluous. They look to bolster them through the lifetime renewals and through profits they might draw from their contributions to the company.

It is planned to have a minimum of home office officials and employees in the company, although the millionaires stress the importance of having sound actuarial and administrative staffs. It is proposed that the company be headed in a year by the chairman of the Million Dollar Round Table, that it hire a permanent full time manager and that most of its officers be also officials of the Million Dollar Round Table.

Proponents feel that from the standpoint of company, agent and policyholder, they can make Producers' Mutual a model company.

100% Cooperation Needed; Summers

(Continued from page 16)

Insurance offers in the way of a contract which you can honestly recommend.

"On October 8, 1940, the National Service life insurance act became a law, providing a means by which those men and women entering the armed forces could provide protection for their families and dependents. In spite of the hurly-burly of the war's confusion, over 18,000,000 contracts were issued in 5 year's time. Over 146 billion dollars' worth of business sold in a hurry—no time to explain, no time to advise, no time to inform—just sign here and move on, Bub.

"Then came the days of the great exodus and the inevitable results: Millions of veterans hopelessly confused regarding their insurance, failing to appreciate its advantages, and finally sacrificing a benefit that was and is theirs by virtue of sweat and blood and sacrifice—the right to carry valuable protection with

(Continued on page 43)

The Sun Shines Bright In My Old Kentucky Home



Truly the sun of prosperity reflects in Kentucky Home Mutual . . . an aggressive sales organization . . . backed by active home office cooperation . . . liberal agency contracts . . . coupled with streamlined sales and prospecting plans.

Our Agency Program continues to bring many new and well-qualified underwriters to our Field Staff. Some good agency openings are available for qualified salesmen. Write us today, stating fully your experience and production record.

*Kentucky Home Mutual
Life Insurance Company*
LOUISVILLE \ \ \ \ KENTUCKY

Ellsworth Regenstein

President

Hill, Moss and Cleeton Named as New Trustees

(Continued from page 5)

unopposed for those offices and were named by acclamation.

When it came to the trustee nomina-



C. E. Cleeton



C. W. Cox

tions, however, everyone sat up and took notice. The committee presented nine names for the seven places to be filled: Hugh S. Bell, Equitable Life of Iowa,

Seattle; Judd C. Benson, Union Central Life, Cincinnati; Charles E. Cleeton, Occidental Life, Los Angeles; John P. Costello, Southwestern Life, Dallas; Carlton W. Cox, Metropolitan Life, Paterson, N. J.; Herbert R. Hill, Life of Virginia, Richmond; Richard E. Imig, New York Life, Cheboygan, Wisc.; W. Ray Moss, Connecticut Mutual Life, Louisville; and Alfred J. Ostheimer, Northwestern Mutual Life, Philadelphia.

In addition to the nominations of the committee, George E. Lackey, Massachusetts Mutual Life, Detroit, nominated Roderick Pirnie, Massachusetts Mutual, Providence, from the floor. Mr. Pirnie was elected a trustee last year for a one-year term.

In spite of the agitation for greater representation of field men in the National association official family, there were only three agents, Messrs. Costello, Imig and Ostheimer on the slate, and only one of them was elected. The trustees renominated by the committee were Bell, Benson, Costello and Cox.

The two dark horses on the slate were Mr. Imig, who is president of the Wisconsin state association, and Mr. Ostheimer, a former chairman of the Million Dollar Round Table.

There was considerable discussion of the method of naming the man for the

one-year term. At the last convention it is decided that there should be a run-off vote on the candidates remaining after the six full terms had been filled. There was some suggestion of returning to the former practice of naming the



W. Ray Moss



H. R. Hill

seventh man in the voting for the short term, but the council voted overwhelmingly to continue the run-off vote.

Reverse Action on Candidate Parade

A rather amusing situation developed in connection with the proposal that all candidates be called to the platform so that the voters could see them, inasmuch

as some of them were not well known. President Connell ruled it out of order and a motion to do it anyway was voted down, but later on the council reversed itself by an equally large vote and the parade was held.

The vote for the full term trustees resulted in the selection of Messrs. Bell, Benson, Costello, Cox, Hill and Moss. After that vote was announced, Mr. Pirnie withdrew his name. On the second vote, Mr. Cleeton was declared the winner for the short term.

Record Attendance for Election

The crowd at the election session was even larger than at the regular council meeting Tuesday and it looked as though it might be close to the possible total of 1,017 as announced by President Connell at Tuesday's session. It was officially announced as the largest number ever to attend a council meeting.

President Connell's voice had almost completely failed him as a result of the strenuous activity of the week and he



JOHN P. COSTELLO

called on James E. Rutherford, executive vice-president to act for him throughout most of the session. In putting motions and other official acts, Mr. Rutherford was careful in each case to state that he was acting for the president and by his authority.

Choate Also Needs Pinch-Hitter

When Chairman Choate of the nominating committee to make his report, it developed that he had a similar disability and Mr. Rutherford also had to pinch-hit for him part of the time.

A chime gong on the rostrum, which was used in lieu of the usual gavel pounding, made a great hit with the crowd.

Nominating Speeches Limited

It was voted to limit all nominating speeches be limited to two minutes and all secondary talks to a total of three minutes. Sidney Wertimer, Prudential, Buffalo, former trustee, was appointed timekeeper but the gong had to be rung on only two of the 20 speakers who took the platform on behalf of the various candidates for trustee.

H. Kennedy Nickell, Connecticut General Life, Chicago, who rose to nominate Mr. Ostheimer, was subjected to some heckling from the crowd because he forgot to mention the name of his candidate in his nominating speech.

Vernon Hale Runs Dormitory

Vernon Hale of Hamilton, manager of the Central Ontario agency of Canada Life, arrived late and despite advance precautions found that the rooms he had reserved for himself and five of his agents had been sold. He managed to get one room, in which the entire six slept on beds and cots. Besides Mr. Hale the occupants of the dormitory were L. R. Brown, K. A. Wharton, Stephen Fletcher, A. F. DeLong, and R. C. Cairns.

Basil Collins on Hand

Basil Collins, trust officer of the Old Colony Trust Co., of Boston, was frequently asked for advice on trust matters.



—Where Ideas
are exchanged

The National Association
of Life Underwriters

Annual Convention

Cleveland, Ohio - Sept. 11-15

To you

We extend our Sincere Greetings

Standard
STANDARD INSURANCE
Company

A Mutual Life Insurance Company

Established 1906

Home Office: Portland, Oregon

W. C. Schuppel, President

Raymond R. Brown, Executive Vice President

George W. Schoeffel, Vice President and Superintendent of Agencies

Hinkle New C.L.U. Chief; Craig V. P.

Announcement of the mail-ballot election of new officers and directors of the American Society of Chartered Life Underwriters was made at the annual meeting of the Society Thursday afternoon.



R. D. HINKLE

Hinkle received his C.L.U. designation in 1936. He served as president of the Chicago C.L.U. chapter, and is a director of the Life Agency Supervisors of Chicago.

Walter A. Craig, agent of State Mutual Life in Philadelphia, was elected vice-president. He had served as a director of the society and as chairman of the editorial board of the society's newly launched professional "ournal." He received his C.L.U. designation in 1929.

Corydon K. Litchard, general agent, Massachusetts Mutual at Springfield, Mass., was elected treasurer. He is a past president of the Massachusetts Assn. of Life Underwriters.

Martin Scott, president of Scott & Co., Los Angeles, was elected secretary. He is a life and qualifying member of the 'Million Dollar Round Table,' and currently is president of the Life Underwriters & Trust Council of Los Angeles.

New directors elected are: Karl K. Krogue, Spokane, Wash.; Carl M. Spero, New York, N. Y.; R. Erwin Wood, San Francisco; Douglas S. Perry, Hartford; Miss Alice Ellen Roche, Philadelphia; James W. Smither, Jr., New Orleans; Addison W. Wilson, Omaha, Ralph L. Theisen, Denver.

Holdover directors are: Oscar E. Carlin, Columbus, O.; Basil S. Collins, Boston; William S. Leighton, Minneapolis; and J. Hawley Wilson, Oklahoma City. They are senior directors and become regional vice-presidents. Other directors are Howard H. Cammack, Charleston, W. Va.; Clarence E. Smith, Chicago, and Clyde R. Welman, Memphis, Tenn.

Friday Speaker



E. H. HAHNE

Institute's New Film Makes Fine Impression

Showing of the Institute of Life Insurance's new motion picture, "The Search for Security," at the national council meeting Thursday afternoon gave an opportunity for convention-goers to see how the institute has adapted the film medium to a somewhat different purpose than its earlier efforts in this field, "Yours Truly, Ed Graham," and "American Portrait."

Starts With Marine Insurance

The earlier pictures were education heavily sugar coated with entertainment. They told a story and wove in the life insurance message in such a way as not to alienate the interest of a person having no interest in life insurance. "The Search for Security" is designed for teaching people who want to know something about life insurance. It tells the story of insurance as insurance.

There is a prefatory message about mankind's long struggle for security. It leads into a scene showing an old-time sea captain conferring with a marine underwriter in a London coffee house, about insuring his vessel. The underwriter, between puffs on a long pipe, tells the captain that the rate in view of the hazards of the voyage will be 8%. The captain tries to hold out for 7% but finally they compromise on 7½%.

This gives the narrator a chance to point out that whereas insurance rates used to be made on a horse-trading basis it is done more scientifically today. The life insurance angle in this scene comes in when the captain wants to know what happens if he is held for ransom by pirates. The underwriter assures him that there is a clause providing for his ransom, which makes the captain very happy.

Tells of Ministers' Fund
The next scene shows the organization of the Presbyterian Ministers' Fund, the oldest life insurance in North America. The present-day scenes show a family group with one youngster telling another how their father has provided for their education through life insurance.

The film is considerably shorter than the institute's previous two films, the running time being 16 minutes. It is designed for classroom use, as well as for clubs, organization meetings, etc. A very good sequence is the one showing the way legal reserve life insurance operates. An animated graph shows how step-rate life insurance would increase in cost each year, finally reaching a prohibitive cost at the older ages. Then a horizontal line is drawn across the graph, showing how, by charging more than the step-rate at the earlier ages it is possible to keep the premium at the same level throughout the premium-paying period. It demonstrates clearly that the reserve, which is the source of loan, cash and nonforfeiture benefits, is a necessary consequence of the level premium method, rather than being something that somebody thought up to keep the policyholder's money away from him.

Nairn Speaks at Detroit Sept. 20
A. Gordon Nairn, executive secretary Canadian Life Underwriters Assn., will be guest speaker at the Sept. 20 meeting of the Detroit Assn. The Detroit association, which holds its first fall meeting on that date, has doubled its membership in the past three years.



GREETINGS from AN OLD COMPANY WITH A YOUTHFUL OUTLOOK

The State Mutual Life Assurance Company of Worcester, Massachusetts welcomes you to the 57th Convention of the National Association of Life Underwriters.

State Mutual has been serving the people of Ohio for more than one hundred years.

Cleveland being the host city, we salute our General Agent, W. Allen Beam, and his able associates who join us in wishing both delegates and guests a memorable visit

CHARTERED, 1844 • NOW IN ITS SECOND CENTURY

Shattuck Urges New National View

(Continued from page 32)

made the Republic, nor to have the sole right to make it or break it in future. Within recent months and years, there have been attempts to organize still other special groups, groups of taxpayers, groups of consumers, groups of security owners, groups of 'tool owners'—not quite 'capital' in color and allegiance, not quite 'labor'—but groups having individual interests. Each of these groups tends to regard itself as the final and determining factor in the national question.

"Some fancy themselves as especially destined custodians of our national future. To all of these various factions it is clear that a part of our future belongs and to each a share of our national power. And, as I have said, it is fitting and proper that each should speak its piece. But to none as a group could we safely surrender our common destiny. Our common destiny belongs, demonstrably, and has through our past belonged, to a cross section for whom no other name than good American can be evolved; a force, as I see it, which is constantly expanding and which, springing from all ways

and walks of life, all religions, all party and social affiliations regularly takes over, after normal American childhood, the leadership in our public and private business, our professions, our arts and sciences. Who are these boys and girls? From what source do they come? They come from mountains and river valleys, seacoasts and forested uplands, the sons and daughters of capital and labor and tool makers and tax payers and consumers all mixed together. They go to high school and to college: if well to do, they receive allowances from the old man or, if lucky enough to be poor, they wait on table in dining commons; they go to night school and learn law, or to day school and are instructed in business; they read widely and thoughtfully; they prepare a home in which to live; they try to get along within their budgets; they have children; they dislike the concept of economic dependence upon any man or woman; when they hear of an opportunity to advance they study and prepare and qualify and succeed; they do their chores while their more easy-going companions are hanging around the corner drugstore or the pool room. They are not perfect, nor angels, but they are decent, hardworking, ambitious and loyal. They wear no buttons of allegiance to any partisan group—for they need no buttons—they are easily enough identified in every town and city of this nation. They are good

American citizens and they furnish the steam under the boilers that propel our ship of state. I say, and I say emphatically, that it is time we stopped thinking and talking so much about capital, or labor, or taxpayers or consumers, or tool owners as individual groups; and it is time we began thinking and talking about this group—the American citizens who do their own part and a little, or a great deal, more than their own part, for themselves and their nation. If there is a forgotten man in our public scene it is our well-prepared, thoroughly disciplined, strong minded and stout hearted good American citizen. The well-remembered man too often has been that one who has consistently asserted his individual claim to social bounty—the one who has allowed himself to reverse scripture and to come to believe that it is more blessed to receive than to give; the one whose best practiced gesture is the open palm and the shrugged shoulder.

Construction of Congress

"Now think over your communities; whether you dwell in a metropolis or in a remote rural hamlet or township. Do you not recognize the distribution I have made? These good, prudent, intelligent and discreet people, I say, are the motive power of this Republic. And these people, indeed, are well represented in the very body which must soon revise our national tax structure. We may occasionally scold Congress, and sometimes for its own good and with just desserts. But what on the whole is Congress? Can you not see among the present members of Congress the young business man or professional man who has made his way along, in Colorado, in Indiana, or Pennsylvania; who has worked industriously to found his family and business, who has deprived himself of much early individual luxury to prepare himself for his rendezvous with destiny; who has served first his town then his country, then his state; who has finally been chosen to represent his home electorate in Washington, on inadequate pay, in the discouragingly complex atmosphere of Capitol Hill? By and large, with few exceptions, the Congressman is also a good American citizen. Perhaps he favors labor; perhaps he favors capital; possibly he has not one theoretical or political allegiance but several; almost certainly he has an abiding conviction that America is worth working for and that while his work is most troublesome and trying and unremunerative he is going to continue to do his best to remain a good American citizen.

Rediscover Basic Fact

"Very well, with broad strokes, and few statistics, we have described our national body politic and we have re-discovered what was always the fact, but what few persons are frank enough to declare, viz: that in every order of every society there are citizens who are good, sound and unselfish people and there are citizens who are not deserving of that description. That is both the history of the world, and the fact of the world—and particularly of the democratic world. In the tightly knit proletarian state the trains run on time; the drones starve or are clapped in the army; the forgotten men are harnessed to the labor gang and great public and military works are created. In a free society the attempt is made to educate the thoughtless and shiftless ones into unselfish devotion to the state; by incentive rewards; by protection from what are euphemistically called adverse strokes of fortune—yet the kindly thought is constantly borne in mind that human beings are both mortal and fallible and the strong are expected to succor the weak; the wealthy are expected to share with the poor. The balanced weighing of the social attitudes into a well proportioned combination of justice and generosity is the fundamental process of a free society. Too much incentive and reward for the good citizens, too little thought for the weak ones and the Republic descends into fascism; too much solicitude for the weak ones and too little recognition of the merits of the good citizens and the Republic degenerates into dictatorship of the proletariat.

"The question before the Congress, when it comes to examine the effect of federal taxation upon the life insurance of this country, is how to adjust the incidence of

the tax burden so that a proper and fair incentive is given to the good citizens of this nation to protect themselves and their loved ones against adverse strokes of fortune—and yet not to give an undue advantage to persons who already have large economic power. I intend to make some suggestions in that respect, not new in any way but of such fundamental importance, so it seems to me, that no opportunity should be lost to present the argument in all of its phases, at all times where the public ear is attentive.

"Let us return, again, to our young man who is working up and along on the business and professional high road of life in any corner of any state in this country. He has toiled at his educational process until he is in his middle twenties. He is married and has two children—we can hope he may have a total of four or more—but it is common knowledge that economic factors are likely to deter or abort that desirable event. He is buying a modest home, chiefly out of his earnings. He hopes for a summer home someday, but that, at present, is beyond him. He has set out upon a life insurance program, for he instinctively understands that he is not only expected by his taxes to help carry the social load for those less fortunate than himself but that it is his primary duty as a good citizen not to transfer any part of his individual problem to anyone else. He would like to choose his life employment in a way which gives him a maximum of independence and opportunity for self-expression. He does not wish, when considering a job, to allow his choice to be governed by the extent of retirement income which is offered by the prospective employer.

"He very often dreams of the possibility, after his earning days have progressed to the point of safety, of participating more in good works or in public affairs or both. He is considering himself in a normal and healthy way, but it is characteristic of him that he is also considering others and his nation—for he instinctively believes that only if the good citizens of the Republic do their share of the public business can we expect good government. He desires rather fiercely that his children shall be not only protected but also well prepared for their turn in American history. Now what is his economic problem? Consider him in any walk of life you choose; as a teacher, as a minister, a news reporter, an accountant, a dentist, a lawyer, a banker, a so-called junior business executive, an insurance man, the proprietor of small factory or store, a salesman or investment adviser. The nation teems with these young men, brave, alert and intelligent. And they are, today, in the very deuce of a fix. By and large they are the very first victims of inflation. By and large they have no social security worthy of the name. By and large they are underpaid. By and large, I verily believe, they are the hope of the Republic for their sterling virtues. By and large, it happens, they are the potential life insurance purchasers of the nation. But by and large they are prevented from purchasing anything like the amount of insurance they really need because so large a percentage of their income goes to discharge their duty to support the government and to care for the dependents of others that they just don't have enough income left over to purchase adequate protection for their own.

Cites Erwin Griswold

"It was very right and proper for Erwin Griswold in 1942 to warn the legal section of the American Life Convention of the abuse by many life insurance companies and many life insurance agents in selling life insurance as a means of tax avoidance. His remarks, on that occasion, became somewhat famous among you. He rendered a service not only to your profession but also to mine. He did much to destroy the damage which Oliver Wendell Holmes had unintentionally done by drawing an eloquent and seductive line between legitimate tax avoidance and inexcusable tax evasion. Given the great need for national revenue to which Dean Griswold referred a good citizen should bear in mind that continued and widespread tax avoidance must be corrected even more quickly than occasional tax evasion; for it is a much more dangerous threat.

"I not only have no disagreement, there-

Greetings to

National Life

Underwriters Association

Peninsular Life Insurance Co.

Home Office: Jacksonville, Florida

Laurence F. Lee, President

fore, with what Dean Griswold had to say in 1942; indeed I think I might well have been less temperate than he in dealing with the evils which he then described. Certainly I agree with his final conclusion that the real function of life insurance is to furnish protection to the average American families, which demonstrably need protection. I might also mention here, however, what has become abundantly clear since 1942, viz.: that there is a secondary sound function of life insurance even when one deals with rich men. Aside from furnishing protection to the surviving family of the assured, and thus lightening the burden of government in that respect, life insurance also puts into the hand of the good citizen, by the sweat of his own brow exclusively, the liquid means of discharging his social obligation to contribute to the protection of those less fortunate than himself.

No Ready Statistics

"There are, so far as I know, no readily interpretable statistics which tell us what proportion of the families of the class of people of whom I speak have depended upon proceeds of life insurance for their continued existence as a working part of our free society. But I doubt that statistics are needed. You know, from your actual experience, and I certainly know from mine, that it is an important proportion. Indeed, you know as I do that if death overtakes the young American good citizen much before he is forty years of age, or even forty-five, the bulk of his protective mechanism must lie in his insurance. And as everyday workers in the field we are becoming increasingly aware also of the secondary aspect of insurance usability. How often do you see, these days, the proceeds of insurance used promptly and effectively to settle estate tax obligations? And where do those payments go, after receipt by Washington? Why, of course, into working funds of our national government and into the social services which our government performs for the less fortunate ones among us.

"So that, therefore, when we take as our examples of good American citizenship either a forty-year-old among you, or a forty-year-old doctor (approximately ten years out of medical school and apprenticeship), or a forty-year-old teacher in high school, college or professional school, or a forty-year-old lawyer, or accountant, or musician, or businessman, or congressman indeed—we know that although we are likely to find a number of varying factors (some will be earning more, some less, some will be well, some not well, some will have pressing family problems, some not so pressing, some will have long and brilliantly productive careers, some will die early) they are nevertheless practically certain to have certain characteristics in common.

Lists Characteristics

First: they will have deprived themselves of luxuries in order to buy life insurance; second: they will depend very largely, for the protection of their families, upon the proceeds of their life insurance; third: if they have been luckier than the others and will leave other substantial means at death then their life insurance is likely to be devoted to pay their estate taxes, and fourth: unless they have been much luckier than the others they are presently having the very deuce of a time to make both ends meet, against present rising prices, and yet keep these valuable life insurance policies in effect. If you don't believe so, ask any Congressman about his own personal budget, or any professor of law.

"The question now is whether from the standpoint of these good citizens, taking thoroughly into account, also, the broad interests of the Republic, any change should be made in the incidence of Federal taxation with relation to policies of life insurance.

Praises N. A. L. U. Tax Report

Your very able committee on federal law and taxation opens its current report, under the title "general tax" policy with the hopeful statement that:

It is imperative for the economic welfare of the country that the Congress and the various departments of the government abide by the fundamental conception that

taxes should be levied to produce revenue to meet the expenses of government and should not be used as an instrument of social reform. It is evident that in recent years we have strayed far from that original concept.

"Well, I am by no means sure of the meaning of the word original. But I am sure that from the opening day of this Republic taxes have been used as an instrument of social reform, and I am doubly sure that they are going to be so used straight through the history of each and every government ordained by man, now and hereafter, on this weary planet. And I venture to add that it is right that they should be so used. Without referring to the income tax amendment specifically, or the estate tax statutes, or to tariff, or to excise taxes, or the poll tax laws, or to conservation imposts of one sort or another, I can only conclude that your Committee must mean that government shouldn't collect money from its citizens which it doesn't fairly need for the sole purpose of correcting social faults. But who ever heard, in this increasingly socialistic age, of money which the government doesn't need? I don't believe really, that it can any longer be said, if it ever could be soundly said, that taxation should be utilized for revenue only. The way to express that ancient adage it seems to me is to say that whenever it is decided what sum the government needs to

pay for those functions which the people wish it to exercise, all pains should be taken to collect it up a tax basis adjusted to accomplish the maximum social good.

Tells Reforms Needed

"If there is a sound analysis of our method of approach, what steps should the Congress take on behalf of the good American citizens of whom we have been speaking, always in justice to all other Americans and always within the sound limits of the national needs? They seem to me clear.

First: The entire tax structure should be scrutinized to prevent so far as humanly possible the use of insurance proceeds for any purpose of tax evasion and for any wide-spread use, by persons of large property for tax avoidance. All present existing differentials in favor of rich men by the use of life insurance, if there be any, should be removed, but; Second: There should be adopted, forthwith, an incentive by means of income tax deduction within controlled specific limits, which would enlarge the opportunity of the good American citizen of average earning power and modest property to care for his own. There are, very likely, several ways to approach this desirable end. Possibly a direct credit might be granted in a limited amount. Possibly an extra credit should be allowed to those groups who, because they do not participate in employer-employee retirement programs,

must find ways and means, often by purchase of retirement annuities, to set up their own old age protection. Let us not fool ourselves. We have two courses which we may follow. We can either extend government bounty to superannuated persons in a truly fair manner so that everyone, including the great classes of good citizens of which I have been speaking, becomes eligible—or we can provide by social means for those who cannot satisfactorily provide for themselves, and give a corresponding incentive to those who are determined to provide, and do provide, for themselves. Of these two courses, the latter is distinctly in accord with the traditions of the Republic and the instincts of our people. I will not undertake to specify amounts of the credits or the mechanics of their ascertainment. I speak merely of the principle. I repeat that if the young good citizen of this nation is given help, within just limits, to protect his own family unit, he will receive not only what he richly deserves but he will also do better work for the Republic itself and the prospective burden of our government will by that much be reduced.

I am not impressed with the argument that such an incentive program would be discriminatory in nature and hence intolerable to us. Of course it is discriminatory in some senses. But what of that! Every tax program, every subsidy, is in some sense discriminatory. The point is that there are

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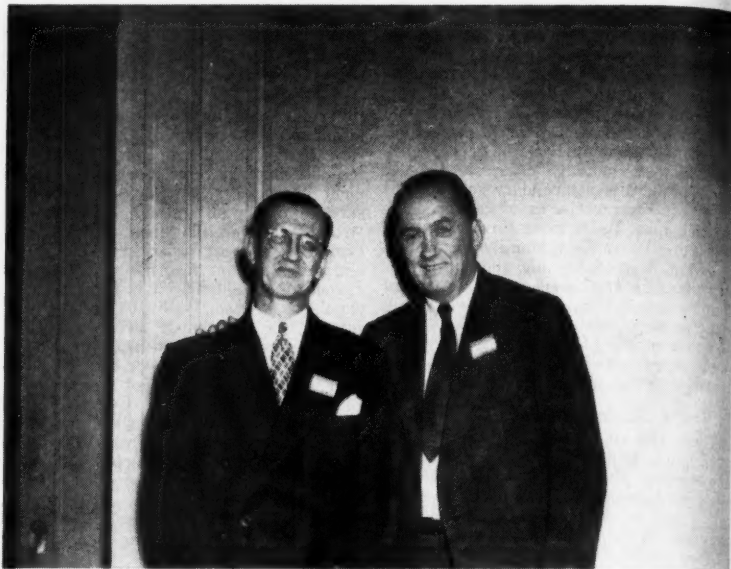
several valid reasons for this discrimination, the first and foremost being that any great group of good citizens who, by their common resolve and common action on insurance principles, take care of their own, have greatly eased the burden of government. The second, and equally obvious, is that one discrimination, such as presently exists against the self-employed group, deserves another—to correct it at least in part. There is no sound reason why a self-employed individual who is not able to qualify under an established pension plan should not receive, when he undertakes to establish his own retirement plan, the same income tax deduction benefits which are granted to other employers in accordance with present regulations. Goodness knows those very deductions are an admitted part of an incentive program. Let incentives be distributed, if they are to be made available at all, with a minimum of discrimination! This position, demonstrably fair and sensible, can scarcely fail to commend itself to the members of our Congress who, by and large, are themselves members of the self-employed group. For congressmen also have families and congressmen, also, have retirement problems, and congressmen, also, know that income tax rates are so high that it is a virtual impossibility for persons in the middle income brackets to accumulate an estate which will furnish a retirement income of anything like the annuities yielded

under qualified pension or retirement plans. It all comes down, at long last, to this simple choice—Shall we as a Republic of free men arrange things so that we all look to our government to support us and our dependents when our earning days are done, or shall we attempt to make it possible, so far as we can, for our industrious good citizens, to accomplish that aim themselves?

Restore Estate Tax Exemptions

"Third: The special insurance exemption from the estate tax should be restored in a fair and reasonable amount. The instinct was a sound one which placed it in the estate tax statute in the first place. There must be limits, to be sure, and possibly the amount of the exemption should be coupled to the size of the estate. But all of the arguments which I have advanced for an incentive deduction from income taxation are equally applicable here and there are other arguments which are just plainly unanswerable. The fact is that insurance, by its very nature, is a disaster fund. Its office is to bridge a gap, for a group or dependent people, when the forces upon which they have relied are suddenly snatched from them.

"To allow them to have that protection free of impost is to encourage its use. Where insurance exists the shock upon our whole social fabric which inevitably ensues upon death is smoothed out and levelled



Caught talking over convention happenings were John A. Witherspoon, Volunteer State Life, Chattanooga, left, and Grant Taggart, California Western States Life, Cowley, Wyo., both past presidents, N.A.L.U., and active in association work.

Health, Wealth and Happiness

... are the words that express our sincere wishes for each and every Underwriter at the Cleveland Meeting of the National Association of Life Underwriters.

This first post-war Convention is a welcome event ... one that will enable each attending Underwriter to come away with something new and constructive.

The war years and, for that matter, any years, are alike in one respect—they are subject to *change*, and alert Underwriters keep their fingers on the public pulse. The ever-changing trend of public economy demands constant variation in underwriting techniques.

This past year, Ohio National representatives have organized a Field Advisory Board to study Field problems, to prepare in advance for future business trends, and to recommend methods whereby the Company may best assist the individual underwriter.

**THE OHIO NATIONAL
LIFE INSURANCE COMPANY**

CINCINNATI, OHIO



off. If every sort of moratorium and waiting period and resuscitation mechanism is provided for American business, from mortgage to railroad; to ease the disruptive force of sudden economic decline and collapse, there is every reason why a thoughtful Republic should approve and encourage the creation of anti-shock mechanisms for its individual proprietors of proven worth. It is not so much that the restoration of this exemption would save a considerable number of dollars in any given estate. It is that its restoration would spur and suggest full performance of the duty of every good citizen to provide for the future. Here again I am not impressed by the argument of discrimination. If it is the policy of the Republic, as it ought to be, that its good citizens should shoulder their own load and little more, the Republic must make it understood that good citizenship has a reward.

Need Insurance Exemption

"Fourth: While it is by no means so important a matter, nor so based upon grounds of social philosophy or policy, it is probably true that life insurance earmarked for the specific purpose of paying federal estate taxes and in fact devoted to paying that tax should receive some favorable treatment, either by exemption from inclusion in gross estate or otherwise. It is in a sense a funding or amortization of the inevitable tax burden. But more importantly, it represents cash in a pinch and it helps us all. It is very well to hope that at all times in the future all of us will have plenty of money and that our taxes will always be paid on time and

in full. Perhaps that will always be true. More likely it won't. We all know that one of the most successful ways of forcing a compromise with creditors, especially on the part of bad citizens, is simply not to have enough money to pay them. A good way to make it more certain that there will be enough money to pay them with a minimum of social shock is to offer an incentive for having the money. This may sound somewhat Machiavellian and rooted in the fear of fraud. But it isn't, really—it is nothing but a realistic approach. The old fashioned bag of candy on grocery payment day and the discount for cash now generally granted by American business were not the invention of simple minded persons. They were shrewd appraisals of the habits of mortal men. As proprietors of a Republic which needs money, at par and without delay, we might well consider the wisdom of granting a discount for cash wherever there is legal assurance that the cash is available when due.

Asks End of Discrimination

"Finally: There are incidents of the present tax statutes which cry aloud for overhauling. Some, like the unjustifiable discrimination against insurance which arises out of the adoption of the so-called premium payment test are self demonstrating monstrosities, which are very harmful to owners of insurance. Some, like the present treatment of interest payments on option settlements are very likely too generous to the taxpayer. These, however, are the distorted products of history, which need adjustment and probably will receive it, on any general

Announcing GREAT EASTERN MUTUAL LIFE INSURANCE COMPANY Denver, Colorado

Licensed V J Day 1—August 14, 1946

By the Insurance Department of the State of Colorado

An Old Line Legal Reserve Stock Company

Organized without any Promotion Stock, or any Expense to its Stockholders

Capital \$100,000 Surplus \$100,000

Stockholders were paid 2.09% interest on their money deposited in escrow during the period of organization.

V. L. Tickner, President

GREETINGS to N. A. L. U. Members

We of Bankers Life of Nebraska are proud to have a part in an undertaking the objective of which is the security and protection of the American family.

Since 1887

"Building Family Security"



Bankers Life
INSURANCE COMPANY
OF NEBRASKA

revision.

These do not disturb me, they do not go to the root of anything.

Have Failed in Duty

What does disturb me, is that we have been most unrealistic and shortsighted as proprietors of a great nation, in failing to urge our good young citizens to get ready to do their own parts, and a little more, for our common good. We have been guilty, I fear, of forgetting what it is that has made us strong. We have not been keeping in mind that in a society of free men the good and the strong citizens, the leaders to come in private and public affairs, are not to be neglected and forgotten without peril to the whole establishment. We must contrive our system of taxation, as it concerns a universal tool of family protection like insurance, so that our good citizens are everywhere encouraged in their planning for future protection. For in the hands of our good citizens our future lies. If they lose interest, or their determination to take care of their own, the Republic is lost.

C.L.U. Society Dinner Hears Shattuck on Federal Taxes

Mayo Adams Shattuck, former president of the Massachusetts Bar Assn., was the principal speaker at the annual dinner of the American Society of Chartered Life Underwriters dinner on Thursday evening. Mr. Shattuck is widely known as a lecturer and authority on trusts and estate matters, and has appeared before many life insurance and trust officer groups. He is a member of the Boston law firm of Haussermann, Davison and Shattuck.

His subject was "Some Reflections Upon the Incidence of Federal Taxation Relating to Policies of Life Insurance."

Clifford H. Orr presided and introduced the new officers of the C.L.U. Society.

As personal gifts from the members of the board of directors, Mr. Orr and Edward A. Krueger received engraved silver service trays in recognition of their services to the Society. Mr. Krueger had declined renomination after serving seven years as treasurer of the Society. James Elton Bragg, immediate past president, presented the gifts.

Mr. Bragg commended Mr. Orr particularly for the effective manner in which his administration had carried forward various projects in the progressive program of the Society. He praised the long record of Mr. Krueger as director, treasurer, two years as chairman of the "committee for the proposed journal" of the Society, and eight years as press representative of the College and the Society at the annual conventions.

Dr. S. S. Huebner, president of the American College of Life Underwriters, conferred the C.L.U. designation on a class of 125 candidates, many of whom were present. Dr. David McCahan, dean of the college, presented the candidates. Dr. Huebner also introduced Mr. Shattuck, the guest speaker.

100 at New York Life Dinner

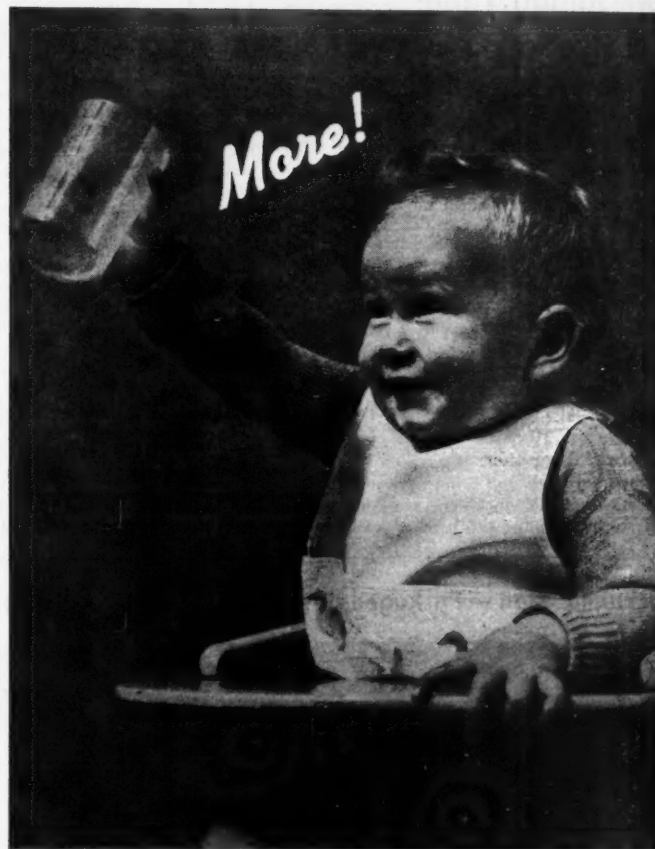
New York Life held a dinner for 100 agents, wives and guests in the Hotel Statler.

Hosts were Ray Johnson, assistant vice-president; Andrew Thomson, director agency training; Don Parker, superintendent of agencies; Isaac Kilbrick, agency assistant; Robert B. Davies, president Top Club; R. A. Wesselmann, manager Cleveland branch, who acted as toastmaster.

Talks were made by Messrs. Johnson, Davies, Parker and Kilbrick. Mr. Wesselmann and Matt Grove, managers, were in charge of arrangements.

No Chance of Tie

When one of the trustee candidates was asked about the possibility of a tie in the voting, he declared that no group of life insurance men of the size of this one ever would be able to get that near to agreement on any proposition.



May there always be milk in his glass and mush on the table.

BENEFICIAL LIFE
INSURANCE COMPANY

SALT LAKE CITY, UTAH

GEORGE ALBERT SMITH, President

LIFE INSURANCE SELLING A PROFESSION

Forty years ago no one would have called life insurance selling a profession.

It is therefore to the glory of the Life Underwriters' Associations that the work has been elevated to a professional basis.

One thing that has helped to this end is the annual conventions of the N. A. L. U.

May this convention be the "best ever."

THE SECURITY MUTUAL LIFE INSURANCE COMPANY
of LINCOLN, NEBRASKA

Re-Echoes of Million Dollar Round Table

(Continued from page 27)

upon their death a stock certificate gives their family economic security they do not realize that it is merely evidence of ownership which gives the heirs voting power. If the heirs are in the minority, and they usually are, they have no assurance of obtaining positions that pay adequate salaries. In that case they would have to depend entirely on the possibility of sufficient dividends being paid on the stock.

On the other hand, the surviving stockholders are very often troubled with the new minority stockholders and a much healthier condition results when they can obtain full control and ownership of the business. The solution to these problems is obviously best handled by means of a stock purchase or stock retirement plan.

Two Types of Agreement

The stock purchase plan is an agreement directly between the stockholders to buy and sell stock upon the death of a stock-

holder whereas a stock retirement plan is an agreement between the stockholders and the corporation where the corporation buys back the stock of a deceased stockholder as treasury stock. A stock purchase plan funded with life insurance requires (where there are three stockholders, for example) that A and B insure the life of C, B and C the life of A, etc.—just as in partnership cases.

The advantages of the stock purchase plan are: (1) in the event that at some future date a change is made to the partnership form of business these same policies can be used for the partnership buy and sell agreement without transfer of ownership; (2) it is possible that more than one corporation is or will be involved and stock of all companies can be included; (3) in the event there is more than one corporation involved, when the sale of one company takes place this will in no way disturb the insurance used to fund the agreement, and (4) no legal concern over right of stockholders to buy and sell.

Retirement Plan

The advantages of a stock retirement plan where the corporation buys back its own stock are: (1) the corporation pays the premiums on the insurance. This eliminates the necessity for paying additional dividends or salaries in order for the individual to pay premiums; (2) the stockholder is

more in favor of paying premiums out of the corporation's funds than his own; and (3) it would reduce the possibility of additional taxes under Section 102 of the internal revenue code which relates to unnecessary accumulation of surplus.

One of the most important by-products of a buy and sell agreement is the valuation of the close corporation stock upon death. In valuing stock of a close corporation for federal estate taxes, it is the practice of the revenue department to take into consideration the earnings of five years preceding the death of a stockholder. A simple example would be that of a company, whose stock had a book value of \$100,000 and whose earnings over the preceding five years was \$40,000 per year. Whoever handles the estate for the deceased stockholder would naturally try to get this stock valued at book figure of \$100,000 but the revenue department would capitalize the earnings of \$40,000, which in many cases would bring the value up to as high as \$400,000 or 10 times the earnings. By use of a stock purchase or stock retirement agreement the value set in accordance with the terms of the agreement is the value accepted by the revenue department for federal estate tax purposes.

Tax Advantage Looms Large

Whereas the primary purpose of a buy and sell agreement is to give the heirs of the deceased a fair price for the stock and give complete control to the surviving stockholders, this outstanding advantage for federal estate tax purposes cannot be overlooked.

Where the corporation buys back its own stock be sure that your attorney approves their right under your state laws. Further caution should be exercised in connection with the purchase of any stockholder's holdings in excess of 50% of total stock issued as this may be construed as a dividend. Be sure to check with your attorney.

At the Round Table meeting Denis Maduro observed that the certainty in the mind of each stockholder that he will outlive the others actually motivates him to decide in favor of these stock retirement plans. After years spent in building a business no man is really anxious to give it up—it is his baby—but inasmuch as he is going to outlive the others he wants to buy control or full ownership—a wonderful psychological setup for us as underwriters.

In conclusion, it should be remembered that in the sale of stock purchase or stock retirement plans our paramount purpose should be selling the stockholders on the need for an agreement. We are in a unique position as life underwriters because we can offer the most economical product for funding this type of plan.

John J. Kellam, National Life of Vermont, New Canaan, Conn.:

1. You have mentioned "tax certainties" for individuals where, in certain circumstances, it would be especially profitable, taxwise, for the individuals to use their own funds to purchase insurance on the lives of other stockholders, etc. Please explain.

A. It seems to me that the important point to be considered here is the independent incomes of the owners of the business and the investments from which this income is derived. If the stockholder and officer have substantial incomes from sources outside the business, they might better invest it in a stock purchase agreement funded by life insurance as an investment.

For example: Stockholder "A" needs a total of a quarter of a million dollars with which to buy his fellow stockholder, "B's" interest upon the latter's death. He is sold on the idea that he has at least a quarter of a million dollars' insurable interest in "B's" life value and would like to increase his estate by this amount upon "B's" death and use such increase for the purpose of buying the stock.

"A" has a salary of \$30,000 and an additional income of \$30,000 and an additional income of \$30,000 from investments which are completely liquid and independent from his interests in the company with which "B" is connected. Also, being a prudent investor, he is sold on the idea that a substantial portion should be at all times held in guaranteed dollars, such as bonds, life insurance, etc., vs. equity dollars, such as stock. The usual way for an underwriter to set up most of the cases that I've seen is simply to have "A" and "B" buy annual premium life insurance on each other's lives and deposit such life insurance with a trustee for the purpose of buying each other's share upon either's death. Assuming age 40 for both parties, this would cost each partner \$6,667 per year on a non-participating ordinary life basis. Would it not be better for "A" to use \$310,000 of his money to purchase \$560,000 of single premium fully paid life insurance on "B's" life?

If principal were transferred from the bond account to the life insurance, in this transaction we would still have the same guaranteed dollars but would have the income from these guaranteed dollars deferred. In the event of his death, there would be no income tax to pay on the increase over an above the consideration.

Net Results Spendable

Now, let's see what the net results are as to spendable income for "A" during "B's" lifetime. "A" would have gained in spendable income the difference between \$6,667 necessary to buy \$250,000 of ordinary life on the annual premium basis and the \$3,000 of spendable income he lost as the result of purchasing the single premium investment. The net result would be an increase

Packaged Plan — Packaged Premium — Packaged Profits



A Life Package THAT WILL EVEN SELL BY TELEPHONE

Nothing equals it—for clientele appeal and quick, easy "closing"! This "Paymaster General" is such an unusual, full-benefit "Life Package" that it actually can be sold by telephone.

As its name denotes, it's a reliable "paymaster," for both the family and the insured. Packaged in a clean-cut, convincing, but simple-to-understand form, it's easy to present. Meets the family demands of a big percentage of prospects. And it's only one of a series of unique Columbus Mutual Packages designed to fit every purpose or purse. Write for sample portfolio and see how "package" selling can stimulate your income.

BENEFITS THIS "Paymaster" PACKAGE OFFERS



For Policyholder

A profit on his savings plus a choice of income plans during his later years.

For Family

A cash payment plus 3 years of income, plus special Christmas checks.

D. E. Ball, President

The COLUMBUS MUTUAL LIFE INSURANCE COMPANY

Columbus 16, Ohio



Two Myricks—Julian S., vice-president Mutual Life, and Dalton L. Myrick, million dollar producer for Great Southern Life, Lake Charles, La., on the left. Despite rumors to the contrary, they are not related. Dalton Myrick, was a featured convention speaker at general sessions during this meeting.

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Myrick,
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in spendable income of approximately \$300.00 a month to "A" which he could spend or invest as he desired. In addition to this, there would be dividends of approximately another \$150.00 a month on current dividend scales, bringing the net increase in spendable income to \$450.00 a month. An alert underwriter might even show him how he could make annual gifts of this in the form of life insurance on the lives of other members of his family.

Therefore, is it not a tax certainty that, if his financial situation permitted, he would be better off buying single premium life on "B" rather than annual premium life? Of course, variations of single premium life may be used by purchasing a five or ten payment life, especially where he wants to liquidate certain of his securities to be used for the consideration gradually. You can easily see how many variations of this plan can be worked out and why a proper stock retirement plan which is to the best interest of all parties cannot be performed in the most efficient manner possible unless an estate planning job is done at the same time for the stockholder in question. It is for this reason that my approach to stock retirement partnership plans is from an estate planning point of view and not from the specialist's point of view of looking at things only from the angle of making a possible insurance sale.

What About Section 102

2. What about Section 102 being applied where insurance on a key man's life is bought for the purpose of purchasing his stock upon his death?

A. The pertinent interpretation of Section 102 is that accumulations for reasonably anticipated business contingencies are not considered attempts to accumulate surplus with an intent to evade taxation. It would seem to me that key man insurance within reasonable limits would be an example of such anticipation.

3. What states have no law against a corporation's buying its own stock when it is bought from surplus?

A. States prohibiting the purchase of its own stock by a Corporation are: Kentucky,

Maine, New Hampshire, Utah, Vermont, Washington, Wyoming. States in which question is undecided: Idaho, Mississippi, Oregon, South Carolina.

4. Cite a problem where the solution would be a combination of both the straight-forward and the roundabout methods.

A. Assume a corporation with two shareholders each owning 50% of a \$500,000 corporation. Each finds himself able to buy a single premium life policy on the other's life for \$100,000. The corporation is in a position to purchase the additional \$150,000 on each life.

5. What are the greatest faults you have experienced when analyzing stock retirement plans?

A. There are, of course, a great many bugs in many stock purchase plans. It is difficult to select any one as the chief. However, more dangers have arisen because of good intentions than from any other reason. For example, in the event that the Agreement becomes effective, funding is often impossible because the parties thereto do not have the required funds. Many headaches have also arisen because of an admirable desire to retain the use of settlement options. Stock retirement plans are weak in the matter of evaluation.

GRANDPA GENEROUS

John O. Todd, Northwestern Mutual, Chicago:

"On the gift from the grandparent situation, who applies for the insurance and who owns the insurance? What happens if the grandparent dies before the premiums are all funded? Is there any advantage in keeping the premiums at any particular figure?"

A. The grandfather is the applicant. After the policy is issued, the ownership will be transferred to the grandchild by endorsement, after the policy has been issued. The grandparent should make a provision in his will for the necessary funds to complete the program, and the policy should have the reduced paid-up

Congratulations...

To the members of the National Association of Life Underwriters, on the occasion of their Fifty-seventh Annual Meeting, for their continuing and effective efforts in advancing the standards and scope of life insurance sales and service.

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For a full stomach, ham and eggs make an ideal combination

For a full pocketbook, Life, Accident and Health go together.

Life agents with A-H in their kits are "going to town" today, because A-H is a profitable sideline for them. They make many sales without half trying, instead of having to say, "I don't have that."

The Field Force of the Great Northern Life is fortunate in having not only a full line of Life policies, but also a complete variety of disability coverages to fit all kinds of life situations.

★ ★ ★

On October 1st we will inaugurate an additional service... the best Non-Can. A-H policy we know of. It will have many PLUS FEATURES. Guaranteed renewable to Age 65, it will be the answer for many Life men who shy away from selling cancellable Accident and Sickness Insurance.

For that extra equipment that gives the old one-two punch, look into A-H. Inquire of

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WISCONSIN CORPORATION

General Offices—110 South Dearborn Street
CHICAGO, 3



Home Office Building

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There is a reason for our outstanding record of progress.
A complete modern line of participating and non-participating adult and juvenile contracts to sell.

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Utah, Idaho, Montana, Wyoming, Nevada, Oregon,
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President

KENNETH W. CRING
Supt. of Agencies

Opportunity!

We have excellent openings in the following territories for General Agents and consistent producers:

Arizona	Kansas	Ohio
Illinois	Maryland	Oklahoma
Indiana	Missouri	Texas
Iowa	Nebraska	Virginia

District of Columbia

You will be especially interested in our Complete Coverage Package Plan. Also our unique Miracle Letter Lead system. And, above all else, in knowing how you can create \$1,000 in renewals the second year by averaging only three Package Plan sales weekly and how in five years you can have an income that will make you financially independent. Correspondence Confidential.

HUGH D. HART
Vice President and Director of Agencies

**ILLINOIS BANKERS LIFE
ASSURANCE COMPANY**
Monmouth, Illinois

option as its automatic non-forfeiture provision, so that if at any time before the child owner is of age there should not be adequate funds with which to pay premiums, no loss would ensue.

It is well to keep the net premium at a level of slightly under \$500 per year, unless the plan calls for substantially more, because the child has \$500 complete exemption for income tax if his income does not go above that figure. If his income goes above that figure, then, although he can still use the exemption of \$500 allowed to a single person, and hence would only have to pay tax on the excess, still, his father would then lose the \$500 as an exemption for the child. This would add tax for his father at his own top brackets on \$500, and would substantially reduce the tax benefit to be gained by the gift.

There was a time when men and women did not qualify as prospects much beyond the age of 60. But our boys have learned that a man or woman of any advanced age is often the best possible prospect. For what person, who having accumulated an estate over a lifetime, and reaching the age where the years ahead look relatively shorter, does not look with dismay upon how confiscatory estate taxes will ravage his estate?

Thus, if he or she is a grandparent, he is inevitably susceptible to any plan that will repair that damage in whole or in part. And life insurance, properly applied, if not the only answer, is at least the best answer. Life insurance properly applied means used as a part of a program of gifts to his children and grandchildren. Is it any wonder, then, that the grandparents can be moved to be generous? For at one fell swoop, he can do more for his own children by making these gifts to his grandchildren than he could if he made the gifts direct to his children.

Meeting the Objection

It would be simple enough merely to suggest to such a prospect that he buy insurance to the tune of a \$3,000 annual

premium for each grandchild, and let it go at that. But the trouble is, that seldom sells, for men in this position are relatively short on cash—and premiums have to be paid in cash; and second, they are reluctant to embark upon a program that contemplates being carried on far into the future.

So let's see how we can meet these objections, but still us life insurance in order to make the figures really significant.

Our hypothetical grandparents may be worth a half million or so and have five or six grandchildren. A substantial part of his estate is represented by the stock in his own company, dividends on which may average from 4 to 5%.

Suggested Program

To his six grandchildren let him give \$3,000 each for, say, the next five years. That will rid his estate of only \$90,000 and may save only \$30,000, in taxes, and besides it takes five years to do it. So this first year, let the gift be \$750 in cash and \$2,250 in stock. Let the \$750 be used to buy \$30,000 of ordinary life insurance on the life of his child for each grandchild. Then next year between the dividend on the stock and the dividend on the insurance the additional cash needed to pay the premium may be as little as \$500. Thus, next year he gives \$2,500 in stock and only \$500 in cash. Within five or six years each child has enough stock so that the dividends will pay the premiums and the grandparent can consider his program complete.

The grandfather is the applicant. After the policy is issued, the ownership will be transferred to the grandchild by endorsement. The grandparent should make a provision in his will for the necessary funds to complete the program, and the policy should have the reduced paid-up option as its automatic non-forfeiture provision so that if at any time before the child owner is of age there should not be adequate funds with which to pay premiums no loss would ensue.

PROOF O' THE PUDDING



"If our company did not have its present copyrighted QVS Contract, and some other company came out with such a plan, I probably would be compelled against my wishes to give up my present connections—highly satisfactory 'tho they are—and join the company which offered me and my associates the many QVS advantages."

ROBERT GINSBURG,
Agency Mgr., St. Louis District.

**Q... quality
V... volume
S... service**

THE CAPITOL LIFE INSURANCE CO.

Clarence J. Daly, President
W. V. Woollen, Agency Vice President
Home Office—Denver 1, Colorado

Finlayson Reviews Professional Market

(Continued from page 7)

"It seems to me that the most characteristic thing about the young doctor is his dignity. He knows that the physician can attain his best results only if the patient puts himself completely in the hands of his doctor. The young physician recognizes that his youthfulness militates against the confidence and reliance which he wants and needs from his patients. Naturally, he tries to offset his youthfulness by his dignity; he is very solicitous for that dignity.

The Young Doctor

"You should always address the young physician as 'Doctor.' Older men may be 'Bill' or 'John,' but not the young physician; he is Doctor Jones or Dr. Smith. Never ask the young physician whether he does or does not want his title to appear on his policy; ask him whether he prefers to have it appear as Doctor Henry Smith or as Henry Smith, M. D."

Dentists comprise another group, the speaker emphasized.

"In dealing with dentists one point of care must be exercised. The training of the dentist is generally not so broad as is that of the physician, although it may be just as thorough in the particular sphere of his specialization. However, the dental course is usually from one to two years shorter than the medical course. The dentist knows this and he is frequently rather sensitive on the subject. Be careful that you do not probe this sensitive spot," he warned.

The very restrictions of a dentist's work make him think differently, Mr. Finlayson said. He is meticulous and painstaking.

"I think wise dentists, either consciously or unconsciously, recognize this restriction in the tendencies growing out of their professional experience and take steps to overcome it. For example, it seems to me that among my dental friends, to a greater extent than among those of any other profession, we find enthusiasts for boating, for owning a farm on the side, or for taking long exploratory trips throughout the countryside, or extended vacations.

"An immediate result of these experiences with boating, touring, or farming on the side establishes within the mind of the dentist the desire to be able to continue such hobbies throughout life. Consequently, when he gets old, he wants to be able to retire and to devote a fuller proportion of his time to hobbies. Guaranteed retirement income has a consequent strong appeal."

Mr. Finlayson pointed out that those who are trained in this way pay special attention to the minutiae of contracts which may be offered them. They will look at these contracts in their details rather than their gross effects, but, the gross effect must be good; it must be complete; it must be clean-cut and useful.

"The dentist will respond to the many advantages of the contract. In competition it is well to present to them the fine points of investments, of interest, or dividend accumulations, of special privileges such as post-mortem dividends, and the extra thirty-one days for the blue form reinstatement," he said.

Wants Complete Program

"Above all, in dealing with dentists one should remember that the dentist is interested in having his program completely filled; he does not want any vacant cavities; he does not want any details overlooked, he wants to know that his financial plan is a completed, well-rounded, serviceful program, and for such a program he is willing to



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This fact is clearly reflected in our 1946 record.

Increase in paid business for the first seven months of 1946 over the first seven months of 1945.....67.3%

Net increase in insurance in force during the same period.....6.6%

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Life Insurance In Force in Excess of \$129,000,000

Assets in Excess of \$36,000,000

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**THE RELIANCE MEETS EVERY BUYER'S
PREFERENCE BY ISSUING: HEALTH •
ACCIDENT • PARTICIPATING • NON-
PARTICIPATING • ANNUITIES •
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pay."

Then there are the lawyers. Mr. Finlayson remarked that lawyers are used to expression opinions. They get paid for opinions. Thus they are opinion-conscious.

"In his love of logic, the lawyer likes to argue from the known to the unknown. It is in the same manner that he likes to be persuaded. Show him the logic of the company's procedure, and the means by which he can actually eat his cake and have it too, through a retirement income contract which will give him protection for his family and, at the same time, save all his money, with some interest, for himself in his old age, and the lawyer will go along.

"The lawyer is liable to think of himself as somewhat of an authority on financial matters. Show him the merits of a proposition in general; if it appeals to him, he is liable to buy it for himself," he said.

Must Not Conflict

"The work of the advanced underwriter is liable to appear to conflict with that of the attorney. In advanced underwriting we are dealing with estate problems, tax problems, partnerships, corporations, and key-man insurance. The underwriter owes it to the attorney to make sure that he does not trespass on the attorney's special prerogatives.

"May I emphasize that you should be just as ethical toward the lawyer as you expect the lawyer to be toward you. Respect his profession as you expect him to respect yours. Then you will be in a position to present to him a financial plan for his consideration and approval which will put a backlog of security behind his hopes and his ambitions, his opinions and his judgments, which will make him your client and your friend."

Architects present another problem, he declared. He wants to see things in relation to each other; he wants to see the present in relation to the future.

Graphs appeal to him, but usually not charts; structures catch his imagination and interest more than do statistics, Mr. Finlayson explained.

The architect's program cannot be finished with one sale, he said.

"His income is subject to serious fluctuation. Therefore, it is well to talk to the architect about the opportunities for discounted premiums. He is used to discounts. Talk to him about paying premiums in advance, about completing units in a general structure of financial security and independence. He will like that. Keep before him a harmonious whole, something in which he can take pride; but let each unit be pretty well finished within itself."

Speaking of teachers, Mr. Finlayson mentioned that often they are overspecialized. They are used to dealing with those who know less about a subject than they do.

Teachers Need Guidance

"The great danger of the teacher, and particularly the specialist, is the fact that having gained for himself the right to speak with authority on one subject, he assumes the right to speak with equal authority on all subjects; having become used to immature minds taking unquestioningly his pronouncements, he expects all minds to accept them. This is why teachers are often such babes-in-the-woods in regard to practical matters; they have too much pride; they do not want to put themselves in the position of being told; they want to do the telling themselves. So, if you would deal successfully with teachers, you must be a good pedagogue. You must not tell them; you must let them tell their own story. You must elicit the facts, so far as possible, from them themselves. Let them talk, and from what they say you must build the story of need. You can add any new facts by way of discussion; you can present new ideas by way of explanation and enlargement of the old.

"In dealing with teachers you can

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THE
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COMPANY**

FREEPORT, ILLINOIS
L. H. Engstrom, *President*

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North American Life agents are providing their policyholders with complete personal protection—Life—Accident—Health—Hospitalization—Lifetime Disability Coverage.

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rely to a marked degree on certain fundamental traits of character. Generally, they are kindly, self-sacrificing, scholarly people, who have a great respect for the truth, who want to do the right thing and who want others to do it also. This interest in doing their duty, as they see it, causes teachers generally to be good buyers of life insurance; usually they do not buy in large quantities at a time."

Painters, sculptors and musicians are highly specialized teachers, Mr. Finlayson explained.

Artist Really Is Temperamental

"Traditionally, a real artist is said to be temperamental, and so he is. He must be handled with care. Your approach to his problems or to his person must not be abrupt, discordant, or unctuous. He is sensitive. A teacher of music once said to me, 'You are the first life insurance salesman who didn't act as if he thought I were a brute, and, after what you have told me, I am free to confess that if I didn't buy, I would think of myself as a brute.'"

There are other professions, such as nursing, dietetics, laboratory technics, social service, the clergy, engineering, etc., he said. The character of the person in each of these professions is determined in part by his job. He who would work successfully with these people must take into consideration what the job makes of the individual, and deal with the individual accordingly.

"Therefore, the underwriters must fit his attitude to that of his client and his client's field, Mr. Finlayson emphasized. In order to do this, the agents must be professional himself.

In dealing with professional people, the agent should think out the problem before making a recommendation, the same as a professional person thinks out his.

C. L. U. Builds Prestige

"There is no group of clients with whom prestige counts for more. The

C. L. U. designation, being a specialized degree, the designation of the expert, comes into its own in a special way when you are dealing with professional people. Professional people like to deal with those who have well recognized professional standing."

Then the agent working the professional field should not think of his competitors as such. In the professional field they are "colleagues." Mr. Finlayson told of an experience when he was trying to get a chance to deal with the estate problems and life insurance needs of a professional man in Oklahoma. "He finally told me that another insurance man was handling his affairs and that he was ordering a considerable amount of insurance, from which he would be glad to let me have an order for \$10,000 of his insurance program. I refused to accept this order. He looked at me with amazement, which quickly melted into appreciation, and then he said: 'And as I live, that refusal will not do you any harm.' I never wrote any insurance for him, but I wrote plenty for his friends."

Ethics Are Important

Ethics should also apply to the agent's demands on the professional man's time, Mr. Finlayson emphasized. His time is his capital, and it should not be taken without something to offer and at the client's convenience, he said.

Also, the agent should not presume on positions of influence to sell professional people, he declared.

"Do not presume on positions of influence to sell. For example, because you happen to be a member of the Board of Education, do not think that you have a right to sell all teachers. Or, because you are on the City Planning Commission or the Zoning Commission, do not think that you have a right to sell all architects or all engineers. Professional people have good minds; they will see through your approach easily and will resent it keenly.

"Professional people must be treated



Congratulations

N. A. L. U.

That day is gone when an agency manager handed his new man a ratebook and a fistful of applications and sent him out with a pat on the back to "write up" some business. That method has been replaced by the present system of careful selection and thorough training which has brought about the "career underwriter." Much of the credit for current high standards which obtain today in the agency end of this business may be laid at the door of the National Association of Life Underwriters. We congratulate this virile association on the occasion of its Fifty-Seventh Annual Convention at Cleveland.

**WASHINGTON NATIONAL
INSURANCE COMPANY**

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Executive Offices: Evanston, Illinois

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To the management of

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AN
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DESIRABLE
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New Business Volume is up at

POLICYHOLDER'S NATIONAL

LIFE INSURANCE COMPANY

Sioux Falls

and

South Dakota

NATIONAL RESERVE LIFE

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Topeka, Kansas

— ASSOCIATED COMPANIES —

with appreciation. They appreciate themselves, and justly. It is well to show genuine appreciation for the importance of the professional man's job in relation to the general public welfare."

Other recommendations of Mr. Finlayson's included having the agent familiarize himself with the demands of some professions.

Can't Depend on Luck

"In dealing with professional people, remember that you can depend very little on luck," he said. "They want you to be fortified with exact knowledge, and to use that knowledge in your dealings with their affairs."

"In working with professional prospects the agent can use the 'package sale' very little," he said. "Occasionally you may make a sale for a specific purpose, but, in general, your sales efforts should be based on meeting the individual's general personal needs, rather

than to your own desires to make a sale. Under no circumstances should you ask a prospect to buy to help you meet your quota so that you could, for example, attend the company convention."

"To succeed in a large way, the salesman should proceed through the program method. Even with young professional people, it is best to use the program approach. The young man will like the courtesy and compliment of the program approach."

"Do not overlook tax problems and estate analysis. Professional people are liable to have tax problems much earlier than you think they do. Many of them have keen estate problems, and they welcome expert help in taking care of them."

"The professional market is an ever-growing field, its fruits hang ripe for the person capable of picking them, but he must be capable and he must pick."



Aerial view of Cleveland's lake front Municipal Stadium, home playing ground of the Cleveland Indians and newly formed Cleveland Browns.

A Challenge Well Met

The Shenandoah Life Insurance Company is proud of its affiliation with the NALU that is successfully meeting the challenge to ever-higher standards of service in the Life Insurance Field. Shenandoah Life is certain that the NALU will continue to meet the challenge in the years ahead, and to this end pledges its support and active assistance.



SHENANDOAH LIFE INSURANCE COMPANY, INCORPORATED

ROANOKE 10, VIRGINIA

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Greetings

*Officers and Members of the National
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Congratulations on your splendid achievements of the past year.

May this, your 57th Annual Convention, mark the beginning of yet another page in your brilliant record of constructive service to your profession, to the institution of life insurance and to the American public.



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AS SOLID
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PURELY MUTUAL ————— ESTABLISHED 1850



wide *Scope* of
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TWO BILLION DOLLARS

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The Lincoln National

Ft. Wayne



Life Insurance Company

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